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# FINANCIAL TIMES

No. 27,257

Thursday April 28 1977

\*\*\*12p

**LAING**  
LOCAL OR  
NATIONAL  
CONSTRUCTION  
SERVICE

## NEWS SUMMARY

**GENERAL**  
**Crucial work on Bravo complete**

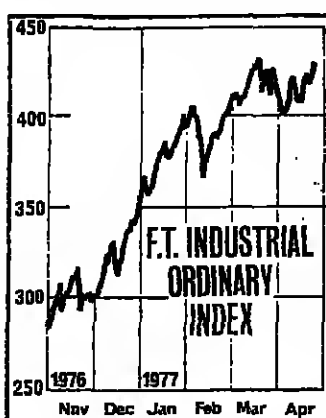
The team of engineers working on the blown out Bravo well in the Ekofisk field of the North Sea were taken off the platform yesterday afternoon apparently suffering from exhaustion.

Before being taken off they had completed crucial repair work on the well head and if weather conditions remain favourable it is expected that an attempt will be made to-day to cap the well.

Phillips Petroleum said that several vital pieces of equipment had been installed and little more remained to be done other than test the new equipment and put it into operation. Back Page

**BUSINESS**  
**Equities gain 6.4; gilts rise 0.39**

Equities made headway on North Sea oil hopes and the news from Heathrow. The FT



### New York

**Concorde hearing**

The legal battle to decide the future of Concorde's landing permits at Kennedy Airport opens to-day in a New York city federal court. Arguments for both sides are expected to last no more than 24 hours and it is possible that when they are completed the judge could give a ruling almost immediately. Whichever side loses there is almost certain to be an appeal. Page 6

### Passport plan

Changes to Britain's nationality laws that would replace the present status of a citizenship of the U.K. and Colonies with two new categories have been proposed by the Government. It is suggested that there should be British citizenship, which would give the right of entry to the U.K. and overseas territories, and a new category of citizenship, which would be primarily for people from British dependencies. Page 12

### Action threat

Daily Express journalists last night threatened industrial action to try to prevent their publishers, Beaverbrook Newspapers, selling the London Evening Standard to Associated Newspapers. Back Page

### Labour bricks

The Labour Party has launched a "buy a brick" campaign to raise money to build a new headquarters in the Walworth Road, South East London. The Party is having to leave its present offices in Transport House and needs £5m. for the new premises. Page 12

### Writ sought

Mr. Richard Tarling, former chairman of Haw Par Brothers International, who is facing extradition to Singapore, is applying for a writ of habeas corpus to quash the extradition order made by the Metropolitan Chief Magistrate in January under the Fugitive Offenders Act, 1967. Page 12

### Death verdict

A coroner's court jury in Chesterfield yesterday returned a unanimous verdict of justifiable homicide on William Hughes who was shot dead by police after he had killed four people in a house on the moors above Chesterfield. The shooting occurred after a car chase which ended when Hughes crashed at a police road block. Page 12

### Briefly...

Marking standards of school examination boards appear to have fallen at the 16-plus level according to a report published yesterday by the Schools Council. Page 8

Dr. Donald Coggan, the Archbishop of Canterbury, left London yesterday for Rome to have his first private discussions with the Pope. Page 12

Almost £800,000 will be spent by 31 companies and organisations on the Silver Jubilee Exhibition in Hyde Park. It will be the first exhibition in a royal park since the Great Exhibition of 1851. Page 2

### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISERS	
Treasury 3 1/2p 1977	157 1/2
(55 Paid)	154 1/2
Britannic Assurance	132
Brown (J.)	127
Dowry Group	125
Fosco Minsep	159
Gieves Group	57
GKN	302
Hambro Life	222
Hammerman	435
Hawker Siddeley	504
Health (C.E.)	535
Hemlins	148
Hunting Gibbs	200
Int'l Timber	105
Lead Inds.	137
Lynton Rides	85
FALLS	
Berleys Bank	226
NatWest	220

## OPEC nears deal to end two-tier oil pricing system

BY ROD NEWMAN in Jeddah and ROBERT GRAHAM in Tehran

Negotiations are far advanced for an end to the two-tier OPEC oil price system, which came into effect after the bitter dispute between members of the cartel in Qatar in December.

A compromise proposal appears to be being worked out between the major Middle East oil producers, which will be submitted to the next OPEC meeting in Stockholm in July.

Reliable sources in Riyadh the Saudi Arabian capital said after the visit of President Carlos Perez of Venezuela that a possible compromise would be for Saudi Arabia and the United Arab Emirates to raise their crude prices by 3 per cent in July to bring them into line with the majority of the OPEC members.

At the same time the 11 States would not put into effect the additional 5 per cent increase they agreed on in December, thus stabilising prices at 10 per cent above the pre-December level.

In Iran, where President Perez flew yesterday from Riyadh, Dr. Jamshid Amouzegar, the Minister of State responsible for oil, said earlier that such a compromise would be acceptable to Iran. He was "very encouraged" by the latest statements of Saudi leaders and was optimistic that an acceptable compromise could be found.

Before leaving Riyadh, President Perez said that his talks with Crown Prince Fahd had been "most positive". His visits to Saudi Arabia, Kuwait and Qatar made him "feel sure that there will not be any obstacles towards a unified OPEC stand."

The Venezuelan leader has altered his schedule to include a visit to the United Arab Emirates after he leaves Iran on Sunday.

Mr. Mansur Said al-Otaibi, the UAE Oil Minister, refused to comment on reports of a compromise proposal, being accepted, but has made it clear that the country would welcome a compromise.

### Exports

The two-tier price system resulted from the decision of Saudi Arabia and the UAE at the Qatar meeting not to raise their prices by more than 5 per cent, while the other OPEC members, including Iran and Venezuela, increased their prices by 10 per cent, and decided on a further 5 per cent rise in July.

Since then mediation attempts including one by Qatar two months ago have failed.

Observers in Saudi Arabia believe that an important factor in the apparent shift in the Kingdom's position is the fact that its oil exports reached 9.3m. barrels per day last month. Production may have reached 9.8m. b/d, coming close to the official target production for the first quarter of the year of 10m. b/d.

Unexpectedly heavy U.S. demand for heavier crudes, plus bad weather at the Ras Tanura terminal in the Gulf, had earlier kept output well below the target level.

The Saudis now feel that they can move to restore OPEC unity without loss of face. But any decision on a compromise proposal on the table, which was for a 5 per cent increase by Saudi Arabia and the UAE on July 1, with most OPEC members foregoing their additional 5 per cent rise.

Such a compromise was acceptable to Iran.

## Paisley threat divides Ulster coalition

BY PHILIP RAWSTORNE

A rift opened in the Ulster Unionist coalition yesterday over the threatened general strike in Northern Ireland.

The Rev. Ian Paisley, MP for Antrim North, who has been in the forefront of the militant Ulster Unionist Action Council in planning the move, was attacked bitterly by other Unionist MPs.

Mr. James Moynihan, leader of the Westminster group, said after a meeting of his MPs yesterday that Mr. Paisley would have to explain his activities.

"He will have to square them with me, I am the leader, and any member who will not go along with that will have to make his own decision."

Asked if Mr. Paisley would be expelled from the group, Mr. Moynihan said: "He recognises the position."

Mr. Enoch Powell, MP for Down South, said later: "I find it hard to see how the Ulster Unionist Parliamentary Party could continue to maintain its existing connection with Mr. Paisley."

Mr. Powell, who has clashed previously with Mr. Paisley, said that he fully expected Mr. Moynihan's disavowal of the group from Mr. Paisley's involvement in the Action Council.

Mr. Paisley did not attend the meeting of MPs at the Commons yesterday. He was in Northern Ireland to discuss tactics with the militant Loyalists.

Mr. John Dunlop, Unionist MP for Mid-Ulster, who has shown support for the strike threat, was also absent.

On Monday, the Action Council issued a seven-day ultimatum to Mr. Roy Mason, Northern Ireland Secretary, to tighten security measures in the Province and establish a new Ulster Parliament and majority rule.

But Mr. Mason made it clear in a series of meetings with local politicians, that there would be no Government concession to the demands and that his action would be taken to counter any strike.

The more moderate Unionists in the Loyalist coalition feel that the issue primarily at stake is the continuing security problem, and cannot draw the same backing from the Protestant community as the constitutional issue did during the strike three years ago.

Both Government and industry have given warning of the serious damage a strike could inflict on present and future investment in the Province. Shipyard workers in Belfast, after confirmation that Harland and Wolff had secured a deal with the UAW, will be particularly conscious of the dangers inherent in a shutdown of industry.

announced a date for the strike, although the deadline on its ultimatum runs out at midnight on Monday.

The official Unionist Party, led by Mr. Harry West, and the biggest party in Ulster, is not represented on the Action Council. Although it supported the Loyalist strike in 1974, Mr. West said after talks with Mr. Mason that the issues now were quite different.

Our Belfast Correspondent writes: The key to any stoppage next week will be how much support Mr. Paisley and his colleagues can muster both on the streets and the shop floor.

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## Swiss plan tighter banking control after Chiasso losses

BY JOHN WICKS

THE SWISS Government, reacting to the recent heavy losses of the Chiasso branch of Credit Suisse in unauthorised transactions, plans tighter control of the country's banking system, including more checks on private deposits.

The Swiss Federal Banking Commission, which is investigating the Chiasso affair, considers control of deposits in Swiss banks is not through enough. It will instruct both outside auditors and banks to pay more attention to these.

Banks' audit inspectors will probably be told to concentrate effort on more checks of this kind. Because the outside auditors appointed by the Banking Commission can decide to what extent they should use internal audits, there will undoubtedly be pressure on this side.

M. Jacques Schuster, chairman of the Commission, said to-day that it had called for special audits in the Chiasso affair to determine the extent of the loss on the basis of effective evaluation, and out how the events occurred, and why they were not discovered sooner.

The Swiss National Bank is instituting a prosecution in the Chiasso case, since large sums involved were denominated in Swiss francs in contravention of a Federal decree which, to protect the Swiss currency, restricts its flow out of the country.

The Swiss Bankers' Association indicated that banks had already begun to tighten controls in the wake of Chiasso. Bankers had recognised an "Achilles heel"

and would act accordingly, but the association did not consider new legal regulations necessary.

Whether legislation is required to bring about tighter control is the subject of a Federal Banking Commission will have a central role. It will be a carefully weighed decision since, in the words of M. Georges-Alexandre Chevillaz, the Finance Minister: "Confidence in the economy of our country depends largely on the safety of the banks."

But the relative freedom of Swiss banks has long been a major factor in their ability to attract funds.

New measures

Switzerland has paid increasing attention to the Commission in the past few years, doubling its staff within one year. The Commission, in Berne, is responsible for granting banking concessions, ensuring that bank accounts are audited regularly, and ordering special audits where necessary.

After it has completed its investigation of the Chiasso affair, the Commission may call for further controls, as occurred after the foreign exchange losses of Herstatt and the Lugano branch of Lloyds. As a consequence of these losses, the Commission called for several far-reaching measures aimed at preventing dealers from exceeding their individual authority.

These included compulsory reporting on total long and short foreign exchange positions, which were not permitted to exceed 40 per cent of a bank's

equity, creation of inner-bank limitations regarding a given currency, country or correspondent bank; separation of foreign exchange dealers from foreign exchange accountants and correspondents; and institution of daily branch reports to head office on foreign exchange transactions.

The Commission noted that the banks themselves initiated major reorganisations as a result of these two much-publicised cases.

Texon Inc. a U.S. corporation which has subsidiaries in France, Germany and Italy, which manufactures impregnated cellulose-based materials for the footwear, leather goods and car battery industries, declared yesterday that it has no connection whatever with the Texon Finanzsach in Vaduz, Liechtenstein, which has been mentioned in the Credit Suisse scandal.

**£25,000 company study grant**

PROFESSOR Alice Teichova of the School of Social Studies, University of East Anglia, has received a £25,000 grant from the Social Science Research Council for a three-year investigation into Multinational Companies in Interwar Central-East Europe.

The project will study the growth of West European industrial companies in Austria, Czechoslovakia and Hungary.

## U.S. has worst monthly deficit

By Jurek Martin, U.S. Editor

WASHINGTON, April 27. The U.S. had its worst-ever monthly trade deficit last month because of the continued strong demand for imported petroleum.

The deficit was \$2.39bn, outstripping the previous record of February by \$522m. Exports rose only slightly to \$10.07bn, from \$9.51bn, and imports shot up to \$12.46bn, from \$11.67bn.

Excluding petroleum products, the overall imports level actually declined. Oil worth \$4.06bn was imported against \$3.32bn in February.

Adding other lubricants and related materials, the U.S. imported such products, worth

U.S. OIL IMPORTS

General imports of mineral fuels, lubricants and related materials. Figures seasonally adjusted.

1976	Shn.	Sept.
Jan.	2.6	3.2
Feb.	2.4	3.1
March	2.4	3.1
April	2.7	3.1
May	2.7	3.1
June	2.8	3.1
July	3.2	3.1
Aug.	3.1	3.1

\$4.3bn, compared with \$3.4bn in February.

A Commerce Department economist said that the Administration was surprised that oil imports remained so strong. He attributed this to replenishment of stocks run down by the winter, particularly in the fuel oil sector. He acknowledged that the Government had thought that the worst was over in February.

In the first quarter of this year, the U.S. trade deficit has exceeded \$5.9bn—the shortfall for the whole of last year. This implies a deficit this year of nearly \$24bn, which is bound to cause the Administration concern. But the deficit remains that the deficit will be nowhere so big.

President Carter will undoubtedly use these figures at the forthcoming London economic summit to argue that other industrialised countries must do something about the size of their trade surpluses.

After the trade results, starting gained against the dollar in London and closed at \$1.72, up 7 1/2 points. The dollar's weighted depreciation widened to 1.05 per cent. (0.97 per cent.)

### \$ in New York

	April 28	Previous
Spot	\$1.7195-1.7197	\$1.7195-1.7197
1 month	\$1.7197-1.7199	\$1.7197-1.7199
3 months	1.72-1.72 1/2	1.72-1.72 1/2
12 months	1.74-1.75 1/2	1.74-1.75 1/2

## Airline strike ends with loss of £15m.

BY NICK GARNETT, LABOUR STAFF

THE LONGEST and costliest dispute in the history of British Airways ended yesterday when striking engineers and maintenance men voted overwhelmingly to return to work.

Five hundred night-shift workers were due back late last night, 25 days after the start of the dispute.

All the airline's long-haul flights are running and the European service, with nearly three-quarters of flights operating during the last few days, will move steadily back to normal by to-morrow.

The domestic service from Heathrow, which has managed only flights to Belfast and Edinburgh, should be operating a full schedule of flights by Saturday. (Information can be obtained from local British Airways reservation centres or in London, on 370 5411 for domestic and European flights and 828 9711 for the intercontinental service.)

The dispute has proved a severe financial blow to the airline in spite of its ability, especially during the latter part of the dispute, to get the vast bulk of European and long-haul flights off the ground.

The way the strike ended was as blurred and messy as the whole dispute has proved to be since the engineers began industrial action by refusing to work evening and night shifts.

None of the issues over which the dispute blew up has yet been settled and the inter-union conflicts which hindered an earlier settlement are almost certain to re-appear.

Nevertheless, the strikers' leaders claimed victory when they spoke to yesterday's mass meeting in Southall.

Negotiations will now start with British Airways over a joint union shift pay claim originally drawn up by the Amalgamated Union of Engineering Workers' shop stewards involved in the dispute.

The claim—to be the "minimum" basis for negotiation—includes a shift pay rise of between 55 and 61 pence a week. The peace formula, already accepted by the airline, also includes talks on the possibility of increasing the negotiating power of the engineers' shop stewards.

The other key issue of the strikers' claims is that they want in negotiations which are scheduled to take place within the engineers' national sectional panel—part of the formal negotiating machinery.

The final move to a settlement of the strike was made possible by acceptance of the shop stewards' shift claim earlier this week by other unions representing the ground, the airline was losing revenue at the rate of £25m a day. Forward the engineers' daily net loss amounted to claim until the engineers returned to work.

### Messy end

Total revenue losses add up to more than £30m—a net loss of about £15m, says British Airways, taking into account savings made by not flying aircraft. At the beginning of the dispute, when British Airways was unable to get most of its flights off the ground, the airline was losing revenue at the rate of £25m a day. Forward the engineers' daily net loss amounted to claim until the engineers returned to work.

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### Final move

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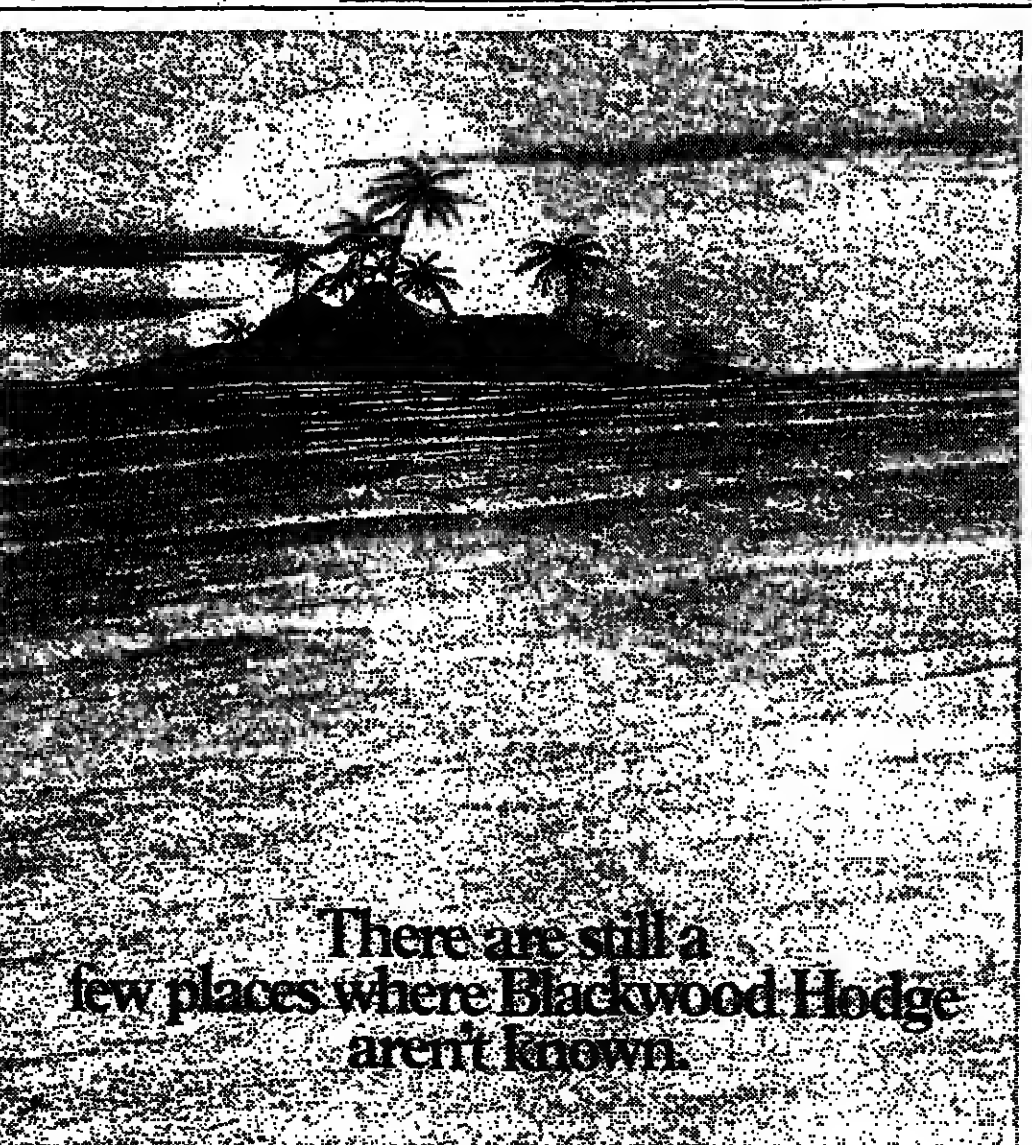
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Labour News	20	World Trade News	7		
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2

ROMBARD

# Forward to the past with the OECD

BY ANTHONY HARRIS

ONE OF THE SADDEST documents I have read in a long time is the memorandum on non-inflationary growth drawn up by a distinguished ad hoc group drawn from the Business and Industrial Advisory Committee of the OECD. It is circulated in this country by the Confederation of British Industry, which seems understandably pleased to find international support for its own nostalgic prejudices, which makes it a little bit sadder than it would otherwise be. If this is business leadership, it is very hard to find any ground for hope.

The report starts with some reasonably fair diagnosis, even if it is not blazingly new. In the 1960s we had growth without inflation with very little inflation; now we have inflation with very little growth. No sustained recovery can be expected because investment is still very low (even this column can benefit from distinguished international endorsement for its herish views). Experience shows that growth and stability are not alternatives; you cannot have one without the other.

## Squabbling

The cause of this disaster, the group is clear, is an outburst of squabbling over distributive shares—between workers and employers, between rich countries and poor, between the State and the citizen—what the group calls "a widespread mentality of excessive claims and acceptance of inflation." While it would be interesting to know why the group thinks this struggle suddenly flared up all over the world at much the same time, the picture as a whole looks like the world we know.

It is when it comes to remedies, though, that despair sets in. The whole premise seems to be that since the world was a better ordered place in the 1960s than it is now, we simply have to go backwards a decade. Paradise regained.

The means are only too familiar. The restoration of profit margins is at the top of the list: it is to be achieved, it seems, through "a high level of consensus between the social groups"—which, being translated, appears to mean permanent wage restraint while prices are unrestrained. This must be "not just for the short term." Already, the tune sounds familiar, but out of harmony with reality.

At the same time, the group wants cuts in public spending. However, this call is accompanied by specific demands which the CBI itself would surely be ashamed to endorse: for despite these cuts the group wants higher public spending on industrial infrastructure, and

RACING

BY DOMINIC WIGAN

# Freeze The Secret preferred

ALTHOUGH CLOONLARA has a chance second to none in the afternoon's 1,000 guineas, judged on her brilliant three-year-old form, she has been the subject of several disturbing rumours in recent weeks concerning her wellbeing. It cannot be in her favour that she failed to get a race in Ascot's 1,000 guineas trial.

There Vincent O'Brien's Sir Ivor filly was a 13-8 on chance to dispose of her six opponents. A misunderstanding, however, between the starter and Lester Piggott left her at the tapes while turning to face the flag. Many will be prepared to row in with her in spite of the lack of a recent outing, but I do not believe she represents good value at odds of around 11-8. I prefer the twice-raced Freeze the Secret.

This fetching bay daughter of Nearectic made a highly encouraging seasonal debut when giving Mofda an emphatic beating in the Ladbrokes Nell Gwyn Stakes at the last meeting here. Luca Cumani, her trainer, is hopeful that she can succeed where Konafa failed narrowly a year ago.

For those seeking an outsider with a fine pedigree, a specialist in the recommended. This highly attractive half-sister to In

Command wound up her two-year-old career by defeating Durtal by half a length in York's Lowther Stakes. She is sufficiently well forward to make her presence felt.

There was a lot to like about the way that Welsh Dancer, General Ironside's half-brother, defied 9 stone 5 lbs in the Lords Handicap at Nottingham days ago and it will be disappointing if he fails to follow up with victory in the Heath Handicap.

Sent into the lead soon after halfway in that mile event, Mr Garfield Weston's Welsh Pageant colt never really looked like being troubled. He passed the post three quarters of a length ahead of Arctic Tribune, the favourite, on whom Daffy Thomas had been hard at work throughout the final furlong and a half.

Welsh Dancer is sure to have derived considerable benefit from that run—his first of the campaign—and can underline his notable potential with a victory over Freeze the Secret's underrated stable companion, Sotto il Vulcano.

Whatever their fate with Freeze the Secret and Sotto il Vulcano, Cumani and Gianfranco Dettori, his jockey, should have at least one winner, for Ribramble seems weighted to win the six furlong Breyth Handicap with 8 stone 6 lbs.

This tough and consistent sort, who receives 8 lb from Questa Notte, showed that he would soon be winning when finishing a very close fourth behind the Hobbs filly on 7 lb worse terms at Nottingham on April 11. He looks set to comfortably reverse the form on today's terms.

In what was almost certainly one of the most substantial 2,000 guineas since the war the Irish-trained Nebbiolo sprang a surprise yesterday, keeping on to win the Tachbrook and the hot favourite The Minstrel.

The fast named did not do his chances any good by being slowly into his stride, but he was probably beaten on merit, for he found little under driving from Piggott when asked to tackle the winner inside the final furlong.

NEWMARKET  
2.00—Tracy's Brother  
2.30—Money To Spare  
3.05—Freeze The Secret  
3.30—Mofda  
4.10—Ribramble  
4.40—Welsh Dancer  
5.10—Owen Jones

TEESSIDE  
2.15—Helping Hand  
3.15—Fanny Valentine  
4.15—Dam Water

up with victory in the Heath Handicap. Sent into the lead soon after halfway in that mile event, Mr Garfield Weston's Welsh Pageant colt never really looked like being troubled. He passed the post three quarters of a length ahead of Arctic Tribune, the favourite, on whom Daffy Thomas had been hard at work throughout the final furlong and a half.

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# Companies to spend nearly £12m. on Jubilee exhibition

BY JAMES McDONALD

A TOTAL of 31 companies and organisations is spending just over £12 million on the Silver Jubilee Exhibition in Hyde Park this year.

The exhibition—the first in a royal park since the Great Exhibition of 1851—will be one of the main events to mark the Jubilee.

Centred on a tent the size of two football pitches it will open to the public on July 1 and run for nine weeks. It will be sited near Lancaster Gate.

About 12m. visitors to the U.K. are expected this year—2m. more than in 1976—and the organisers of the Hyde Park exhibition expect at least 1m. tourist visitors.

Exhibitors are not allowed to sell goods on display but can take orders for delivery. Entrance is free but a convenient programme costing 50p is available.

Of the 31 companies and organisations, seven are from the public sector—British Airways, British Gas Corporation, the Electricity Council, the Inland Revenue, the National Coal Board, Post Office Telecommunications, and the U.K.

Atomic Energy Authority. Three others, British Leyland, British Telecom, and the Royal Ordnance, are wholly or partly State-owned.

The remaining 21 companies, from the private sector of British industry, have been selected for their economic and social importance and the imagination of their displays.

The exhibition will cover 165,000 square feet, the west of Speaker's Corner in Hyde Park. A huge air balloon will hover above the site.

The exhibition will be open seven days a week from 10.30 a.m. to 6.30 p.m. (Thursdays—6.30 p.m.). Any profit will be donated to the Queen's Silver Jubilee Appeal Fund.

Among the private sector exhibitors are: Avery's (weighing machines), B. K. Wood Hodge (civil engineering), E. J. Allman International, Court-audits, Croft and Co. (port and sherry), Debenhams (department stores), Dittellors, Dinnbecker, Dinnbecker (British toys), Dunlop Holdings, Ercol Furniture, Marks and Spencer, S. Pearson and Son (publishers of the FT), and Royal Worcester Spode.

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## Centre for L-test examiners

A £2 MILLION training centre for L-test examiners was opened yesterday. The centre at Cardington, Beds., claimed to be the first of its kind—was opened by the Duke of Gloucester.

Every four weeks 60 trainee examiners will attend for a residential course designed to make sure that driving test standards

are the same all over Britain. The centre, which will be run by the Department of Transport at a cost of £235,000 a year, has lecture rooms, a training cinema, 2,000 metres of private roads and a fleet of cars, motor-cycles and other vehicles for test purposes. It has its own double-decker bus.

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12.05 p.m. News Headlines and Road and Weather Report. 1.30 Women Only. 4.30 The Last Island. 4.45 The Roadhouse. 5.15 The Roadhouse. 5.30 The Roadhouse. 5.45 The Roadhouse. 6.00 The Roadhouse. 6.15 The Roadhouse. 6.30 The Roadhouse. 6.45 The Roadhouse. 7.00 The Roadhouse. 7.15 The Roadhouse. 7.30 The Roadhouse. 7.45 The Roadhouse. 8.00 The Roadhouse. 8.15 The Roadhouse. 8.30 The Roadhouse. 8.45 The Roadhouse. 9.00 The Roadhouse. 9.15 The Roadhouse. 9.30 The Roadhouse. 9.45 The Roadhouse. 10.00 The Roadhouse. 10.15 The Roadhouse. 10.30 The Roadhouse. 10.45 The Roadhouse. 11.00 The Roadhouse. 11.15 The Roadhouse. 11.30 The Roadhouse. 11.45 The Roadhouse. 12.00 The Roadhouse. 12.15 The Roadhouse. 12.30 The Roadhouse. 12.45 The Roadhouse. 1.00 The Roadhouse. 1.15 The Roadhouse. 1.30 The Roadhouse. 1.45 The Roadhouse. 2.00 The Roadhouse. 2.15 The Roadhouse. 2.30 The Roadhouse. 2.45 The Roadhouse. 3.00 The Roadhouse. 3.15 The Roadhouse. 3.30 The Roadhouse. 3.45 The Roadhouse. 4.00 The 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CLUBS



John Bury as Volpone and Renato Bruson as Germone in the Royal Opera's 'La Traviata,' which opened last night at Covent Garden

## Volpone by B. A. YOUNG

No sooner has a lounge-suited, polished prologue, for not only is Volpone a corner of the auditorium, but the citizens on whom the lights go up on the stage reveal Paul Scofield in a rich, broad-based gown hailing a season of profitable deceit like fates. Mosca is given a "Good morning to the day" by the Volpone, given a "puppy that I may see my salt" by Paul Rogers, is banished from Venice; than that for a happy

English Provincial clichés. Among the smaller parts there are good performances by Morag Hood as Celia, the girl Volpone would have raped, whose plea for mercy in the court (an echo of Portia?) gets short shrift, and Warren Clarke and Ian Charleson as the two young men Bonario and Peregrine.

The Entertainment Guide is on Page 40

John Bury's setting on the open stage is based on three gateways under point, from archways than can be converted in an instant from bedchamber to street to senate-house. It matches the general lightness of production which presents Jonson's satire in such a thoroughly enjoyable style.

The satirical laughter of Volpone has been written this time, and in this production, Peter Hall's mercurial, on they tumble out as you could ask. Paul Scofield makes a rare thing of a name part. In private, Volpone is a parasite, a householder—a dwarf, a much and a hermaphrodite, a gruffly happy contemplative, his treasure, in a flash he pretends a mortal illness to leave his dupes into the belief that he will leave all to them as they maintain their generosity, only to turn ferocious at the thought of a young virgin he thinks of as a common prostitute, at the court of justice to shop his accusers when his misdeeds come out. It is wonderful to watch the timing of his eyes as he lies back under his golden, covered, prostration while Ben Spengler's bustling Mosca, his visitors into parting with their gifts; and then to turn to a matchless poetic, even to sing the pretty music Harrison Birtwistle has composed for his song with a sweet and tuneful voice.

Elizabeth Hall

## Medici Quartet by DOMINIC GILL

The Medici Quartet, a young ensemble who came together at the RAM, won first prize in the Greater London Arts Association's Young Musicians series three years ago, and last autumn moved to York to become the University's resident quartet. They are an exceptionally talented and promising group, not yet quite fully formed, fully focused, as an ensemble—though their recital on Tuesday evening was in confidence and stature. It went. It began with an exquisite, straightforward reading of Mozart's great B-flat quartet, the third of the "Haydn" set, which smoothed over all of the sudden flights of ecstasy, the sudden, rapid descents into stillness. The voicing and colouring were tentative, more important, rhythms were slack and lacked subtlety and variety.

A disappointing introduction: the Medici seemed more securely at ease in the less delicately shaded, more robust and full-blown idiom of Smetana's first quartet—nicely spiced with romantic fervour in its first

movement, touched with nostalgic gaiety in the second, fired to white heat by the high spirits, and by the final dissolution, of the last.

The elegant and notably well-tuned playing of Paul Robertson, the first violin, was here—as it has also been in the Mozart—as a special pleasure. But the true alchemy of the evening came last, in César Franck's piano quartet (described by our programme-note as "surely a masterpiece of erotic art").

It began with an exquisite, straightforward reading of Mozart's great B-flat quartet, the third of the "Haydn" set, which smoothed over all of the sudden flights of ecstasy, the sudden, rapid descents into stillness. The voicing and colouring were tentative, more important, rhythms were slack and lacked subtlety and variety.

L.C.A. Theatre

## Bobby/Nice by MICHAEL COVENEY

A double-bill designed to display the versatility of Rudolph Kallpha. Mr. Walker performs better than he has memorised it, but he displays an unexpected, totally vigorous comic energy in showing how a credulous immigrant of sunny disposition and winning charm has the smile wiped off his face by the world taking him at his own value. He recounts his sudden ascent to a life of ease and equally sudden downfall from the prison cell where he is confined for punching a bartender on the nose. Mr. Matura's text has its customary spring and is replete with delightful West Indian rhythm and idiom. Not too substantial an comedy, but one that amply demonstrates the potential range of the actor who is shortly to appear as Idi Amin in the new Mustapha Matura's Theatre Upstairs.



Richard Denning, Jeannette Rancier and St. Pollard in 'Oh, Mr. Porter,' which opened last night at the Merald Theatre

Sadler's Wells Theatre

## The Court of Love by CLEMENT CRISP

The Sadler's Wells Royal Court of Love is marked throughout with real choreographic interest. There are three additional characters: three knaves, given grotesque and amusing interpretations by John Auld, David Birtley and Stephen Wicks, and a sextet of angels to complete the cast. Miss Seymour is very able at composing dances, be they comic—for Mr. Auld and Mr. Birtley, who are splendid—or alluring, for Miss Fitzgerald, or virginal delicate for Miss Lucas. What is lacking is a climax to the piece. There is an attractive, melodious score by Howard Blake, well-reasoned designs by Dimitra Marasli, and the cast all work enthusiastically.

### Record Review

## Offenbach by RONALD CRICHTON

Offenbach La Vie parisienne. Crespin, Mesplé, Masson, Sénéchal, Benoit, Tremponi, Orch. and Chor. Capitole Toulouse/Plasoun. 2 records in album, HMV SLS 5076, £8.50.

Offenbach La Grande Duchesse de Gérolstein. Crespin, Mesplé, Vanzo, Massard, Orch. and Chor. Capitole Toulouse/Plasoun. 2 records in album, CBS 79207, £8.29.

Schubert Die Zwillingsbrüder. Domith, Gedda, Fischer-Dieskau, Mod/Munich State Opera. Orch. and Chor./Sawallisch. HMV ASD 3300, £3.50.

Offenbach is indestructible. Even the fickle Parisians over quite forget the composer who caught the spirit of their city at a certain period more surely than anyone else. Recently three companies have gathered a bright bunch of talents headed by Régine Crespin, Mady Mesplé and the conductor Michel Plasoun (from the Capitole at Toulouse but rapidly becoming known further afield) for a number of complete or reasonably complete albums, two of which are now on sale here. They will be snapped up by those who find this composer lasting delight and refreshment, and studied by singers who want to master an important facet of French style.

The music can be savoured on many levels. Obviously, for the fun, the big tunes and infectious rhythm. Also for the musical parodies, so enjoyable because Offenbach understood and appreciated what he was parodying: he had a stronger melodic sense than Meyerbeer, one of his favourite targets, and at least in short spans could match Rossini's brio. (It may seem odd that he was still seeding up Meyerbeer and Rossini 30 years after their Parisian heyday, but the gap is no longer than between Peter Grimes and ourselves.) There is another, deeper level. "The Mozart of the Champs-Élysées" is one of the less silly musical labels: Offenbach did have something of Mozart's ability to pin down mood or character in a few elegantly-cut phrases and something as well of his interweaving of grave and gay.

Grande Duchesse de Gérolstein, General Boum. The recording comes from the richest period, just before the Franco-Prussian war. La Vie parisienne (1866) is the more extraordinary work: an operetta about contemporary life, about a precise time and place—Paris on the eve of the Universal Exhibition of 1867, when foreigners of all sorts were converging on the capital of pleasure at the height of the Second Empire's hectic opulence. It was written for the Palais-Royal, a small theatre with a company of resourceful male drolls and female beauties without—Offenbach knew perfectly well—a decent singing voice among them. One artist, Zulma Bouffar, his favourite after Hortense Schneider, was imported for the role of Gabrielle, the glove-seller. For the rest, he knew how to write a score for non-singing actors which would still reward real singers when their time came.

The Grand Duchess came (to another theatre, the Variétés) in the following year, when the Exhibition was open. The star role was designed for Schneider at her starkest. She chose back stage as well as by the foot-lights, entertaining visiting royalty in her dressing-room. Now the librettists Melibac and Halévy switched their observation from modern Paris to the imaginary German statelet of Gérolstein, tactfully backdated, bursting with military uniforms. The hereditary ruler is a lady with an avowed passion ("Ah, que j'aime les militaires," which hums its nose at the finale of Beethoven's Seventh Symphony) for the soldiery. The librettists' real target, as Bischoff (who came to see the opera in the company of Moltke) doubtless understood, was not Germany but Napoleon III's France.

Crespin in the title-role is superb in preposterous caprice, ancestor-worship and cajolery. Listen to her apostrophising the sacred totem, the Grand-Ducal sabre (a phallic symbol subconsciously twisted into a corkscrew not by the enemy, but by a jealous husband) or caressing the sinuous line of "Diez-lui," favourite of the regretté Yvonne Printemps. Alain Vanzo as Effrate Fritz is well above the ordinary run of operetta tenors, the versatile Robert Massard, since the fire-eating Donath, Gedda and Kurt Moll.

Books relating to television and broadcasting are reviewed on Page 33

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### Empire Pool, Wembley

## The Eagles by ANTONY THORNCROFT

London this week has never been so cluttered with the pop alka. Peter Gabriel, deserting Genesis, cavorted around the stage, and the audience, in solo state; Eric Clapton emerged a few more inches from his recent shell; Lou Reed is re-enacting his much postponed early death with his own meametic brand of stilettoed punk; Twiggly fluttered frantically at the Albert Hall, and the Eagles have sold out Wembley for four nights, confirming that they were the most successful recording band on the U.K. market last year.

The trouble is that the Eagles seem to sense the up market Muzak qualities in their performance, and for kicks throw in unbelievable instrumental numbers, or else blurt with big production values—at set moments during the Wembley concerts the back curtain rose to reveal a bundled



The Eagles in action at Wembley

The popular appeal of the superficial addlers who con- Eagles is easily explained—they tributed little to sound or sense. But in the main the clarity first, and now ageing, generation of the sound and the strength of of rock adage. An Eagles' melodies ensured that the audience is quiet, sober, carefully dressed, and boring. It the acclim. They gave the audience the steady succession of the rollers, who are only out of watch, a big head at Wembley for a cathartic, pubescent, thrill. It is early-middle aged pop, and it will be an ever-increasing force in the music world. The gimmicks and the poney showmanship with which performers usually boost their work at Wembley. On the level of pedlars of Californian country rock, at least deliver the goods—guitar solos which fill the vast reaches of the Empire Pool with musical content may be a small thing but it's their own.

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# EUROPEAN NEWS

FINDING A SUCCESSOR TO CARDINAL CONWAY

## Ulster questions for the Vatican

BY GILES MERRITT IN DUBLIN

IF MAYNOOTH COLLEGE, that gaunt, quadrangular institution for training the priesthood 20 miles north-east of Dublin, is the heart of the Roman Catholic church in Ireland then the Archbishop's Palace up in Armagh is its head. And now that the obsequies for William Cardinal Conway, Archbishop of Armagh and Primate of All-Ireland, are over, the church is shaping up for a complex succession struggle.

Rome. A number of churchmen have taken matters a good deal further and in effect side with the aims of Republican extremists. Bishop Newman of Limerick has called for British withdrawal from Ulster and Bishop Daly of Derry, while condemning the IRA, has censured the security forces in Northern Ireland and urged stronger action on the Irish Government.

On such doctrinal matters as divorce, contraception and even abortion. The 25 bishops, whose powerful position will be a deciding factor in the leadership contest, are generally on the Right-wing. The liberal voice of the church is much of it inside the faculty of Maynooth, which is nowadays a straightforward university as well as a training college for the

bishops, therefore, have a strong power base.

Front-runner in the succession race is Dr. Cahal Daly, Bishop of Ardagh and Clonmacnoise. He is a gentle and intellectually brilliant man who, while more moderate than such other serious candidates as Dr. Edward Daly of Derry, is nevertheless thought to lack the tough determination to crush ambivalent Republicanism inside the Church.

Although the general assumption in Ireland is that the Bishops, after months of manoeuvring, will agree a three-man short-list in order of preference, it need not necessarily work that way. The clergy of the Catholic diocese of Armagh are entitled to their parallel election procedure for choosing the head of the diocese, who also happens to be Catholic primate of All-Ireland. The system is a secret poll on the basis of a "write-in" vote. Naturally, there is a good deal of informal discussion beforehand to establish consensus opinion.

The point is that if the contesting Bishops become deadlocked, with the Vatican quietly making known which candidates would not be favoured, a relatively obscure priest from the diocese of Armagh might be the answer—especially if one could find who could command doctrinal orthodoxy with political moderation.

Should the more Right-wing Bishops attempt to bulldoze a hardline and politically contentious candidate through, there is a possibility of a split, apart from the Pope. Ireland's Prime Minister has a little-known power of veto, although with an Irish general election in the offing it may or may not be Mr. Liam Cosgrave who would have to decide whether the man being put forward to lead the Catholics of Ireland holds political views that are inimical to those of the Dublin Government.

... Rome is worried that unless a moderate all-Ireland Primate can be found who will give a clear and constructive lead to Catholic attitudes on Ulster, the Church will increasingly be suspected of fomenting extremism.

in pressing its "torture case" against Britain.

According to senior Catholic clergymen, Rome is worried that unless a moderate all-Ireland primate can be found who will give a clear and constructive lead to Catholic attitudes on Ulster, the Church will increasingly be suspected of fomenting extremism. The snag is that the Irish Catholic Church, as it often tries itself to distinguish between the "Roman Catholic Church," is fiercely independent. The Pope, of course, has the final say in choosing one of the three names, the "terna," sent to him from Ireland. And it is popularly supposed that his papal nuncio in Ireland, Dr. Alibrandi, plays an influential part in determining the terna short-list. In fact, however, experts at Maynooth now stress, the Irish are very sensitive to outside interference and Rome will need to play a subtle hand.

The chief difficulty that makes a smooth succession unlikely is the inter-relationship of church and secular politics. As the present line-up of the top contenders for the Primacy stands, a moderate on the Ulster question also happens to be a liberal

priesthood. The split between the liberal intellectuals has become so open that when the 12 bishops who are the college's directors meet at Maynooth, they now reputedly sit apart from the faculty members' refectory. Two names have already emerged as candidates that liberals in the Church would support: Dr. James Kavanagh, Auxiliary Bishop of Dublin, whose intercession last week ended the 47-day hunger strike of 14 provisional IRA prisoners, and who is a noted specialist in trade union and labour matters, and Bishop Peter Birch of Ossory, who has been concerned with social work and reforms. Liberal priests acknowledge, however, that their chances are extremely slim.

Conservative, some would say reactionary, attitudes inevitably dominate the Church in an Ireland so staunchly religious that polls show 97 per cent. believe in God, 56 per cent. in the Devil, and 91 per cent. of Catholics attend mass weekly while 85 per cent. believe there is no other true Church. Indeed, Irish Catholics traditionally view their co-religionists in other countries as backsliders. The Right-wing

## Bid to form Spanish coalition of centre receives setback

BY ROGER MATTHEWS

THE MAIN Christian Democrat over of Centro Democrático could provoke further within that organisation and he will be even more open to accusations of using his political position to make the electoral. But the even greater setback according to some political experts, would be the absence of Sr. Suarez from the centre-right coalition. The Prime Minister Adolfo Suarez even more critical. Sr. Suarez is expected formally to announce his candidature after returning from the United States at the weekend, but doubts persist over whether he will run as a so-called "independent" or will be more strictly aligned to an individual party.

The most likely vehicle for the Prime Minister is Centro Democrático, an alliance of eight liberal and moderate right-wing parties with the Popular Party as its main focus. Sr. Suarez may well announce that he will stand for election as an independent within Centro Democrático and thus will effectively take over its leadership.

Despite a large number of Christian Democrats favouring an electoral alliance with the Centro Democrático more than ten hours of intensive talks failed early today to produce a decisive majority. As a result the Federation of Christian Democrats, itself an alliance between the parties headed by Sr. Joaquin Ruiz-Gimenez and Sr. Jose Maria Gil-Robles, has immediately begun work on drawing up its own list of candidates for the elections. In a very limited number of provinces the Christian Democrats and the Centro Democrático will attempt to put up agreed candidates.

The danger of Sr. Suarez descending into the election arena is that his effective take-

over of Centro Democrático could provoke further within that organisation and he will be even more open to accusations of using his political position to make the electoral.

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\*£100 names a hospital bed overseas.

## IMF grants Portugal new \$49m. credit

BY DIANA SMITH

THE INTERNATIONAL Monetary Fund has granted Portugal a standby credit of \$49m., payable over the next 12 months. The new credit raises Portugal's special drawing rights with the fund to a total of \$245m.

Negotiations for the standby credit were completed in March after the Portuguese Government acted on the recommendations of the IMF and introduced a package of economic measures including 15 per cent. devaluation of the escudo and strict import controls.

According to the IMF, the new standby credit is destined to help Portugal's negative balance of payments, now standing at a deficit of approximately \$900m., and to back up the Government's austerity programme.

There are persistent rumours in financial circles in Lisbon that the escudo is to be devalued further within the next month by 10 per cent.

The authorities had hoped that the escudo would slide downward naturally after the February devaluation. However, due to the weak position of the pound and to devaluation of Scandinavian currencies, the escudo has strengthened somewhat, attenuating the effects of devaluation and the attractiveness of Portuguese currency to tourists from the Northern countries who the

Government hopes, will visit Portugal in large numbers this summer.

Despite restrictions on imports (through high surcharges ranging from 30 per cent. on some consumer goods to 60 per cent. on luxuries such as cars, perfumes and cosmetics, and fur) and quotas on coffee, tea and bananas imposed from late autumn onwards, the Portuguese trade balance is still running further into the red. At the end of 1976 the annual trade deficit stood at over \$18m. and is expected to rise to \$27m. in January.

The first devaluation already placed an added toll on the cost of living because Portugal's need to import more than half its foodstuffs, as well as further devaluation is viewed with considerable alarm by consumers whose faith in the Government's ability to bring down price inflation and curb national agricultural production is waning.

LISBON, April 27. The Portuguese Government's principal aim is to improve the country's economic conditions and to bring about a more balanced and more dynamic development.

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Dates: May 23 to 27 1977. Place: INSEAD, Fontainebleau, France. Working language: English.

Turnover for the first 10 months of 1976: 19.73% increase over 1975. Net profit: 19.73% increase over 1975. Operating profit: 19.73% increase over 1975. Consolidated turnover: 19.73% increase over 1975. Consolidated profit: 19.73% increase over 1975.

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27/10/1975



## Bundesbank warns against early return to fixed parities

BY ADRIAN DICKS

BONN, April 27.

EXCHANGE RATE changes last year created the basis for a further balance of payments equilibrium among the industrialised countries, but there is now a greater contribution to the balance of payments from the services account and price stabilisation policies on the part of the weaker countries. The West German Bundesbank states in its annual report.

Reviewing the events of the past year, the West German central bank says that the high inflation rates in Britain and Italy "have made the sceptical evaluations of markets towards the West German mark more understandable."

Nonetheless, the report notes with apparent satisfaction that all major countries affected by declining currencies have now taken energetic measures to stabilise their internal policies. But it warns against the temptation to try to return to fixed, or more stable, exchange rates, as the part of countries which have not yet managed to attain internal stability. In the present situation, it continues, the floating system has served the world well.

The Bundesbank reviews experience with the so-called European snake of floating currencies and concludes that it survived a turbulent period in remarkably good shape.

The Bundesbank report says the first round of wage agreements this year in West Ger-

## Barre plan on jobs provokes furore

By Robert Mauthner

PARIS, April 27.

M. RAYMOND BARRE, the French Prime Minister, looked upon only a few months ago as President Valéry Giscard d'Estaing's secret weapon for winning the general election next year, has failed to exploit his last plan for reducing the high rate of unemployment, presented to parliament yesterday, has provoked a tidal wave of criticism from the Socialist, Communist opposition, the trade unions and the Gaullists, who, in theory, are still members of the Government coalition.

Only the Independent Republicans, President Giscard's most faithful supporters, and the Patronat, the French Employers' Federation, have voiced unreserved approval.

It is not so much the plan itself which includes such widely acceptable measures as fiscal incentives to employers to hire workers below the age of 25, higher family allowances, and pensions and early retirement schemes that has produced the general disaffection, but the absence of any comprehensive government programme during the run-up to the general election next spring.

As leader of a new government, appointed at the end of last month, M. Barre would have been expected to make a general policy statement to the National Assembly at the beginning of its spring session. Instead, he has asked for a vote of confidence only on his new employment measures, the second stage of his stabilisation plan introduced in September last year.

There seems little doubt that he will win the vote, due tomorrow evening. But the Gaullists, who have made clear that they will approve the plan, have emphasised that this should not be taken as a general expression of confidence in the Government.

M. André Labbé, leader of the Gaullist parliamentary group, was particularly harsh in his comments on M. Barre's statement during the debate in the Assembly. Pointing out that France was currently suffering not only from an economic crisis but a general crisis of confidence, M. Labbé said that the Gaullists had expected the Prime Minister "to strike a much stronger political note."

His remarks were clearly a reference to constant Gaullist demands that only by waging an aggressive campaign against the Socialist-Communist alliance could the present coalition hope to win next year's election. It was President Giscard's refusal to adopt such a strategy which was at the root of the resignation of former Prime Minister Jacques Chirac in August and his subsequent decision to run against a government candidate in the Paris mayoral election.

## Norwegian doubts growing over equipment to fight oil slick

BY KEVIN DONE, INDUSTRIAL STAFF

STAVANGER, April 27.

THE LIST of supplies and equipment in the light of the hard lessons being drawn into Norway now being learned at the Ekofisk day that the total capacity of the rapidly growing oil field, such a performance is now covering hundreds of probably still beyond the limits of square inches of the North Sea of technology.

But the 12 oil companies have doubts are multiplying as to whether the equipment is in any way fit for coping with such a serious oil pollution in the open sea.

Norway has based its oil protection programme on the speedy development of mechanical methods for scooping the oil off the surface, rather than adapting the British approach of relying largely on chemical dispersants.

It is thought here that the chemicals and detergents could be as destructive to effect on marine life as the oil itself, and the Ekofisk field is located right in the middle of Norway's major nuclear spawning grounds.



Unfortunately for the Norwegian Government, the inevitable North Sea blow-out has come six months too soon for its strategy to be effective. The technology for scooping up oil from the open sea has still not been proved, and an equipment ordering programme put in hand by the 12 oil companies operating on the Norwegian Continental Shelf is still only in its early stages.

Less than a year ago the Norwegian Government passed an order making the oil companies fully responsible for safety precautions during drilling and production operations and also for dealing with any oil spillover.

Ordering operators in Norwegian waters must have enough equipment in the immediate area of a blow-out to be able to deal with oil pouring from a well at a rate of at least 8,000 tons a day.

The blow-out Bravo riser is spewing out oil at between 3,000 and 4,000 tons a day.

The equipment must be designed to work in wave heights of up to 2.5 metres (8-9 feet) but the Environment, Mrs. Gro

for equipment worth about Kr10m. (£1.1m.). More than 2,000 metres of booms have been ordered in Canada and Norway. Two skimmers are due to come from Frank Mohr of Bergen and a larger skimmer is on order from Thune Eureka of Oslo. Six more booms capable of spraying chemical dispersant have been ordered in Norway, along with auxiliary equipment such as tanks, oil transfer equipment, cranes and pumps. Supplies of chemicals have not yet been ordered, but guarantees have been given, partly from Britain, that they can be made available at short notice.

Ironically Phillips Petroleum, operator in the ill-fated Ekofisk field, is itself currently chairman of the Clean Seas Group, the operators' sub-committee that has arranged the ordering programme. But the bulk of the equipment will not be ready for several months, and according to the Government order it must be ready by the autumn.

The Norwegian Minister for the Environment, Mrs. Gro

per cent. effective. Yesterday, the first day of skimmer operations, little more than 20 tons was lifted off the sea, and to-day the total had risen to about 60 tons. Prototype equipment has broken down, taking many hours to repair and the weather has proved a major limiting factor.

The Norwegian Government itself began a Kr12.5m. (£1.4m.) investment programme in skimmers, booms and suction equipment in the summer of 1975. But the equipment stationed at six depots along the Norwegian coast is designed only for work in inshore waters, and it is these supplies, which have proved so unsuitable, that have been ferried out to Ekofisk. The country has not been caught unawares but it is certainly unready.

More booms and a skimmer are due to arrive from the U.S. in three days, but it remains to be seen whether they are a match for the deep brown slick which is growing fast—despite evaporation and the natural braking action of the waves—as more than 3,000 tons of oil a day pour from the Bravo well.

## Alliance Building Society

announces that from 1st May 1977 the rate of interest paid on existing Share and Deposit Accounts will be reduced by 0.8% p.a. and the following interest rates will apply to new personal investment accounts:-

Net per annum	Gross equivalent (field at 33% income tax rate)
<b>7.00%</b> ORDINARY SHARES. MoneyReady, Junior and 1-month notice Monthly Accounts	<b>10.77%</b>
<b>7.25%</b> TERM SHARES. New issue from 1st May 1977. 1-year High Income Term Share and Money Monthly Accounts	<b>11.15%</b>
<b>7.50%</b> 2-year High Income Term Share and Money Monthly Accounts	<b>11.54%</b>
<b>8.00%</b> 3-year High Income Term Share and Money Monthly Accounts	<b>12.31%</b>
<b>8.25%</b> REGULAR SAVINGS MoneyBuilder Savings Accounts	<b>12.69%</b>
<b>6.75%</b> DEPOSIT ACCOUNTS	<b>10.38%</b>
<b>7.00%</b> INSURANCE LINKED INVESTMENT Alliance Invest & Insure Bonus Plan Share Accounts	<b>10.77%</b>

The rate of interest on all other Share and Deposit Accounts, including all previous issues of Term Shares, will be reduced by 0.8% p.a. and investments by Limited Companies and other bodies by 0.7% p.a. from 1st May 1977. S.A.E. Accounts are not altered by these reductions.



**Investment Limits Increased**  
The maximum total that can be invested with the Society (excluding S.A.E.) is now increased to £75,000 for individuals and £50,000 for joint accounts.

Hrod Office: Alliance House, Hove Park, Hove, East Sussex, BN3 7AZ.

## W. German energy plan

BY OUR OWN CORRESPONDENT

BONN, April 27.

THE WEST German Cabinet has agreed to-day on a middle term energy research programme DML00m. a year for fusion research, DML50m. for solar energy research, and DML100m. for nuclear energy research. The programme is to be completed by 1980, in which the lion's share will go towards the further nuclear energy research, sitting of the European Torus (JET) project, which West German climate towards it in the country.

In a gesture towards public opinion, however, Herr Hans Matthöfer, the Research and Technology Minister, said that the Government's principal concern would be to improve still further the safety conditions for reactor operation and the necessary techniques for disposing of spent fuel elements and radioactive wastes.

In terms of existing programmes, the new plan appears to offer no surprises, with confirmation that work will be continued on the West German high temperature reactor, and on the fast breeder reactor.

## MOULINEX

### 1976 Financial Year

#### NON-CONSOLIDATED RESULTS

Sales amounted to (An increase of 16.6% compared with 1975)	Frs. 1,361,855,000
Gross profits totalled (Representing 19.7% of the turnover)	Frs. 272,702,000
Net profits before staff participation totalled	Frs. 94,351,000
Profits due to company personnel amounted to Frs. 43,736,000 compared with Frs. 27,966,000 for 1975.	
Earnings in the non-consolidated balance sheet amounted to Frs. 59,615,000 compared with Frs. 35,757,000 for 1975.	

#### CONSOLIDATED RESULTS

The consolidated accounts, which incorporate for the first time the Canadian, Australian and Spanish subsidiaries are as follows:-	
Consolidated profits at \$11.12.76	Frs. 49,923,200
Compared with Frs. 37,404,700 for 1975 (an increase of 32.47%)	
Consolidated turnover	Frs. 1,539,673,000
Compared with Frs. 1,263,880,000 for 1975 (an increase of 21.03%)	
Consolidated operating profits	Frs. 188,950,700
Compared with Frs. 127,646,700 for 1975 (an increase of 48.03%)	
Net consolidated balance	Frs. 457,419,800
Compared with Frs. 378,359,700 for 1975 (an increase of 20%)	

#### Turnover for the 1st 1977 quarter

Pre-tax sales for the first quarter of 1977 amounted to Frs. 375.7m. as against Frs. 326.5m. for the same period in 1976 showing an increase of 14.94%.	
The export share in these sales represented Frs. 228.3m. or 60.7% of total sales, an increase of 38.23% compared with 1976.	
Consolidated turnover in the first quarter of 1977 totalled Frs. 1,313m. compared with Frs. 1,133m. for the first quarter of 1976, an increase of 21.28%.	

#### IMMEDIATE IMPORTANT

## PUBLIC AUCTION

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Several of the most famous known collections have been processed through the auction house, including the major section of the inventory of our outstanding COLLECTORS' ITEMS, such as from Persia, a magnificent old Kirman carpet, measuring 5.68m x 3.59m, perfectly knotted in an intricate prayer design against a pale green field, worked in pale blue, red and cream (a featured item in the famous Benaroud collection) and, from Anatolia, a fine Meas carpet in the central medallion design, knotted in the beautiful soft and harmonious colours associated with this important origin (2.44m x 2.87m), (from the Tash collection, Zurich), and many other fine and superb works from TURKISTAN, PERSIA, AFGHANISTAN, THE CAUCASUS, ANATOLIA, Etc. Etc.

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#### PUBLIC AUCTION

SATURDAY, 30th April, 1977 at 11.00 a.m.

In the Windsor Suite, THE HEATHROW HOTEL, Bath Road, London (Heathrow) Airport, Hounslow. Viewing from 9.00 a.m.

Auctioneer:- DAVID HANSFORD & COMPANY,

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## EEC steel prices plan may stall

By Guy de Jonquieres

BRUSSELS, April 27.

A SUDDEN and pronounced strengthening of steel prices and orders over the past few weeks has created growth uncertainty in Brussels over whether the European Commission will now be able to carry out its proposals to establish minimum prices for a variety of steel products.

The first stage of the Commission's programme, which envisages voluntary "guidance" prices for a range of major steel products and a mandatory minimum price for reinforcing bars, was originally due to take effect early next month. It was to be followed by a second stage starting next July, during which the minimum prices would be increased further.

However, the recent surge in demand has lifted market prices for many of the products covered close to the levels proposed for stage one, and the Commission is coming under mounting pressure from several EEC Governments to move directly to stage two, for which the proposed minimum price levels have yet to be decided.

The outcome could be a major trial of strength between the EEC Council of Ministers and the plan's author, Commissioner Etienne Davignon. Some Commission sources were suggesting to-day that M. Davignon may try to impose the first stage of the proposals immediately, even if they are coolly received, by Governments.

## Socialists reject Tindemans' offer

BRUSSELS, April 27.

THE SOCIALIST Party rejected plans by Premier-designate Leo Tindemans for a traditional three-party coalition Government with the Social Christians and the Liberals.

The Socialists had drafted a questionnaire for the Liberals asking them how they would behave on such issues as regionalisation, greater Government involvement in business, and nationalisation of the energy industry. Mr. Frans Grootjans, chairman of the Liberal Flemish wing, adamantly refused even to consider the questionnaire.

## AUTHORS WANTED

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Recently, JETRO staff at the Executive Service Lounge have found a distributor for an Italian manufacturer, a market for an English paper maker, a supplier for a French food company and a Japan-



ese partner for a German firm. And this is just a handful of examples.

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## A MERICAN NEWS

## Group of Ten favours rise in IMF resources

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, April 27.

THE GROUP of Ten major industrialised nations were conferring this evening ahead of the two-day meeting of the International Monetary Fund (IMF) which is expected to agree, at least in principle, to an appreciable increase in the Fund's resources.

There has been general endorsement from the Group of Ten of the so-called "Witteveen Facility," which could provide as much as \$16bn. for the IMF to lend, under strict terms, to member nations. Half of this fund would be provided by the oil producing nations, with Saudi Arabia by far the biggest contributor.

Formal Saudi commitment to the Fund, however, has not yet been forthcoming, though the view here is that the Saudis are simply waiting to see the final blueprint before taking the necessary action. It is considered possible that the Saudis will make their pledge by the end of the week, though it is conceivable that further consultations will be required.

While backing the Witteveen Facility, the U.S. is taking a more cautious approach on two other proposals intended to increase the IMF's liquidity.

An IMF staff paper has recom-

mended a 75-100 per cent. increase in Fund quotas, which far outstrips the U.S. view that a range of 25-50 per cent. is more appropriate. This would be on top of the sixth quota increase agreed last year (of 32 per cent), which is still in the process of ratification by individual national parliaments.

As argued earlier this week by Mr. Anthony Solomon, the U.S. Assistant Treasury Secretary for Monetary Affairs, there is no need for an immediate decision on the size of the quota increase. "If it appears," he said, "that to the meeting everybody is on the same wavelength, we can decide; but I doubt that will be the case."

Similarly, the U.S. opposes a new issue of Special Drawing Rights. Adopting a position not far removed from that held by the Ford administration, Mr. Solomon contended that what the world did not need for a "general distribution of international liquidity" was the creation of the Witteveen Facility, of course, is that loans would be made on strict terms. However, it is understood that Mr. Dennis Healey, the Chancellor of the Exchequer, is prepared to argue, on behalf of the European

Community, that there should be serious study of ways in which to improve the quality of Special Drawing Rights, which are comprised of a basket of currencies.

The argument is that while the U.S. does not favour a new issue at present, its objections might not be so strong next year, for example, and that the major industrialised nations should be ready to deal with the considerable technical problems associated with a new issue.

The interim committee will also be discussing recommendations already approved by the IMF directors concerning IMF surveillance of exchange rate practices (details of which were reported in yesterday's Financial Times). In the U.S. view this is not a controversial subject, though the essence of the recommendations would be to substantially increase the authority of the Managing Director of the IMF.

Meanwhile, Ministers of the Group of 24 developing countries are meeting here also in advance of the interim committee session. As was expected the Group of 24 advocated a maximum quota increase and a new issue of 4bn. Special Drawing Rights.

## Graiver case: 30 accounts frozen

The Argentine Government has frozen the bank accounts of 30 people, apparently linked to a local financial group accused of handling millions of dollars in investments for Peronist Montonero guerrillas. Reuter reports from Buenos Aires.

The Government also froze the assets and accounts of three construction and cement firms operating in Cordoba province as the net widened for the arrest of those associated with the Argentine financier David Graiver, reported to have died in a plane crash in Mexico last August just before his financial empire crashed.

Dozens of people have already been arrested for questioning and at least 17 others, including newspaper publisher Jacobo Timerman, are being held without trial.

## Canadian car output

The Canadian car industry will have to acquire a bigger share of North American production and a "better balance of activity," Mr. Jean Chretien, the Minister of Industry, Trade and Commerce, has said. AID reports. He told the Automotive Parts Manufacturers' Association in Toronto that a study had shown that car production in Canada had been declining for a mass meeting at the Joliet stadium in Rockville.

## U.S. defoliant move

The U.S. Air Force said yesterday it will use a defoliant chemical used to defoliate jungle during the Vietnam War by burning it on a special incinerator ship in the North Atlantic off the coast of Washington. The Environmental Protection Agency had approved the method used to dispose of the herbicide after a series of public hearings, the Air Force said.

## F15 jets for Europe

The first group of the U.S. Air Force's new jet fighter, the F15 Eagle, flew to West Germany yesterday as part of a build-up of American air power in Europe, an Air Force spokesman in Washington told UPI. He said 21 of the fighters flew to Bitburg Air Base, the first of 72 F15s that will be stationed there by the autumn.

## Ford Fiesta delay

The Ford Motor Company says it has cancelled plans to introduce the imported Fiesta model in the U.S. in June, AFDN reports from Detroit. The company says it had decided to delay the introduction because it cannot expect to certify the car as a 1978 model by that time.

## Canary crash suit

Three heirs of a victim of the March 27 Canary Islands jet collision have filed a \$8m. law suit claiming, among other things, that the pilots failed to maintain proper radio communication as they taxied for take-off on the foggy runway, UPI reports from Chicago.

## Nuclear study 'biased'

A group of U.S. scientists today criticised as "slanted and unscientific" the three-year reactor safety study, ordered by the U.S. Nuclear Regulatory Commission, which found that the chances of catastrophic nuclear plant accidents were very small, Reuter reports from Washington.

## OVERSEAS NEWS

## Soweto pupils in violent street protest at rent rises

BY QUENTIN PEEL

JOHANNESBURG, April 27.

THOUSANDS of Soweto school students marched in protest to rent increases in the township just outside Johannesburg in defiance of public warnings that any such protests would be illegal.

An estimated 4,000 to 5,000 gathered outside the offices of the Urban Bantu Council in Soweto, calling for the resignation of its members, and attacking the building with bottles and stones before they were dispersed with teargas.

Soweto police to-night confirmed that three black youths were in hospital with gunshot wounds after the day's demonstration. However both police and student leaders appear to have made strenuous efforts to keep the level of violence at the demonstrations under control.

High schools throughout Soweto were reported to be deserted this morning, after the protests were called by the Soweto Students Representative Council (SSRC) against rent increases averaging 40 per cent. to be introduced from May 1 by the West Rand Bantu Administration Board (WRAB). The students gathered at several of the highest schools, before attempting to march to a mass meeting at the Joliet stadium in Rockville.

The students carried posters protesting at the rent increases with slogans such as: "We will not pay rent increases," "Away with high rents," and "Mulder is mad," the last referring to the chairman of the WRAB, Mr. Danie Mulder, brother of Dr. Connie Mulder, the Minister of the Interior and Information.

Police throughout Johannesburg were reported to be on alert in case serious rioting should break out and to-night were patrolling railway and bus stations to prevent any violence between students and workers returning to the township.

Teargas was first used in an attempt to stop the students converging from five schools for a mass meeting. However two students met the police and were shot, according to the black newspaper, The World.

Brig. Jan Visser, head of the police CID in Soweto, said the police were taking action only when the law was flouted, or when action was necessary to protect lives and property.

But later the president of the SSRC Mr. Dan Motlari warned that police interference with peaceful demonstrations was "causing widespread student anger and could lead to a confrontation."

He said the students wanted to march peacefully and on several occasions were assured by police that they would be allowed to do so. "But all we got was teargas," he said.

According to the South African Press Association, violence began outside the offices of the Soweto Urban Bantu Council where the students became "enraged by a television cameraman."

They started throwing stones and

bottles, and most of the windows in the building were broken. Vehicles belonging to the WRAB were also set on fire before police dispersed the students.

It was also reported that a group of students stoned a car belonging to the Johannesburg evening newspaper, The Star, which was extensively damaged. The pupils apparently mistook the car for a police vehicle, the newspaper reported.

The SSRC to-night issued a statement calling for the immediate resignation of members of the Urban Bantu Council. They said the council had finally demonstrated that it was acting against the interest of the black people.

The students said that since it had been formed the council had achieved nothing for the people of Soweto but "has consistently been used by the authorities to oppress its own people."

The fact that the council was told of the new rent proposals as early as February and had not mentioned this to the people who supposedly elected them, showed they had conspired with the WRAB, the students said.

A delegation from the UBC is due to meet Mr. Mulder in Crayke, the Deputy Minister for Bantu Administration, on Friday. But Mr. Crayke has already said the Government cannot subsidise Soweto rents from central funds and has appealed to employers in Johannesburg to help their employees with the added burden.

referring to the chairman of the WRAB, Mr. Danie Mulder, brother of Dr. Connie Mulder, the Minister of the Interior and Information.

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## Big credit granted to India by USSR

BY K. K. Sharma

NEW DELHI, April 27. THE USSR to-day gave India a fresh credit of \$200 million (Rs. 1,600m.) to import equipment for its steel plants, coal mines and other sectors. The credit is on extremely soft terms, being repayable in 20 years with a grace period of 10 years and interest of 2.5 per cent. annually.

The credit, an agreement for which was signed in Moscow by visiting Soviet Foreign Minister Andrei Gromyko and Indian Minister of External Affairs Mr. Atal Bihari Vajpayee, is clearly meant to strengthen Indo-Soviet relations.

A second agreement signed to-day finalised a deal already agreed to in principle, for the shipment to India this year, in 10,000 tonnes of Soviet crude, steel and pig iron worth Rs. 1,000m. (Rs. 8,000m.). The agreement is a part of steel and pig iron supply agreement between the two countries for 1977 to 1980.

Since another \$250m. loan of Soviet crude is to be imported by India over the next four years, the value of bilateral trade will top Rs. 1,000m. mark, making India the USSR's biggest trading partner.

A third agreement signed by Mr. Gromyko and Vajpayee for the import of telecommunication equipment, looks set between India and the Soviet Union. This will cost Rs. 40m.

Mr. Gromyko was visited by Miss Rosen, the Indian Press, and himself, to discuss the deal. He also met Prime Minister Morarji Desai and Mr. Vajpayee.

Mr. Vajpayee reciprocated these sentiments and said that the first encounter between the new Indian Government and the USSR had shown that both want to improve relations.

He also said that the first encounter between the new Indian Government and the USSR had shown that both want to improve relations.

## Deadlock in Philippine negotiations

MANILA, April 27. NEGOTIATIONS to end the Philippine Muslim rebellion were stalled today, it was reported.

The talks, which have been going on for six days, are expected to resume on Friday when President Ferdinand Marcos returns from an official visit to Japan.

The negotiations are between a Philippine Government and the rebel Moro National Liberation Front (MNLF), which has proposed a 11-member executive council consisting of seven from the Government and four from the MNLF.

Also a thorny issue is the proposed integration of MNLF guerrillas into the armed forces. The MNLF, the sources said, wants 15,000 men to be integrated into the armed forces, but at distinct odds with its own commander. The Government reported to be willing to integrate only 2,500 MNLF guerrillas, the others being asked to surrender their firearms.

At current prices, the total estimated cost of the rebellion is \$1.5 billion. The Government has offered to pay \$100 million for the rebels' arms and equipment. The rebels have asked for \$1 billion.

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## Owen in talks with Syria on Palestinian

BEIRUT, April 27. PRESIDENT Hafez Assad of Syria to-day received Dr. Owen, the British Foreign Secretary, who arrived in Beirut yesterday.

Dr. Owen held preliminary talks with the Syrian Foreign Minister, Mr. Abdul Halim Khaddam and Premier Abdurrahman Khatibawi last night. At a banquet in his honour last night, Dr. Owen said that the Palestinian problem must be taken into account in any settlement.

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## Concorde hearing opens today

THE DECISION whether the Anglo-French Concorde will be allowed to land at New York's Kennedy Airport goes before the U.S. Federal court to-morrow.

British Airways and Air France want the court to grant trial flights to New York for the aircraft, which has cost them \$30m. since the authority running Kennedy Airport is reluctant to do so.

The airlines claim the Port Authority of New York and New Jersey is violating treaty obligations by refusing Concorde landing rights and that it is trying to make U.S. foreign policy its own.

The Port Authority says it is within its rights to decide what places can use Kennedy Airport, and wants the court to uphold those rights.

Britain and France have both told President Carter that Concorde needs to use New York if it is to succeed.

Both sides in the dispute have submitted their arguments to U.S. District Court Judge Milton Pollack, who will preside over the hearing.

The hearing is expected to last at least one day and the Port Authority will be supported by three groups who have asked to speak as "friends of the court."

They are the State of California, the New York City Bar Association, and a group called Friends of the Earth.

The Transportation Secretary in the Ford Administration, Mr. William Coleman, decided last year to grant landing rights in Washington and New York for a 15-month trial period. Trial flights to Washington are still taking place but they never began in New York.

The New York Port Authority stopped a temporary ban on test flights, saying that the making of a ruling it wanted to analyse the results of noise tests at Washington's Dulles Airport, and other technical data.

The Authority claims that Mr. Coleman recognised its right to decide on Concorde and has cited evidence from his decision to back its claim.

Mr. Coleman said when granting test flights that the situation

NEW YORK, April 27.

et Kennedy Airport "may be complicated by the fact that under Federal policy, a local airport proprietor has had authority under certain circumstances to refuse landing rights."

Britain and France dispute this interpretation, saying Mr. Coleman's decision applies to Kennedy Airport as well as Washington because the Federal Government has paramount power in matters of foreign relations and foreign commerce.

Lawyers for the airlines maintain that the Federal decision to admit Concorde was "inextricably concerned with the conduct of this country's foreign relations, a matter that the Constitution entrusts solely to the Federal Government."

They say that state or local body may lawfully intrude into this as the Port Authority has presumed to do, they say.

Judge Pollack has indicated he will give a quick decision but the losing side is certain to appeal. Legal experts think that the issue will not be decided finally until January 1978 at the earliest.

Reuter

## Visiting Quebec Minister to meet Giscard

PARIS, April 27. M. CLAUDE MORIN, Inter-governmental Affairs Minister of Quebec, to-day began the first official visit to France by a member of the predominantly French-speaking Canadian province's new separatist Government.

M. Morin, who met Mr. Andre Ross, French Minister of Foreign Trade, earlier to-day, is expected to prepare for the visit of Mr. Rene Levesque, Premier of Quebec, later this week.

M. Morin is to meet French President Valery Giscard d'Estaing during his visit here. Reuter

## CIA employees dismissed

WASHINGTON, April 27.

CENTRAL Intelligence Agency (CIA) Director Stansfield Turner said today that he planned to dismiss CIA personnel later to explain his action.

The Washington Post reported that the two employees were dismissed for providing assistance to a former agency operative allegedly selling explosive materials to "their" CIA. The newspaper said that the employees introduced Edwin P. Wilson, a former CIA operative now operating a Washington consulting firm, to firms that supply the CIA with sensitive equipment.

Allegations against Mr. Wilson, according to the newspaper, include charges that he recruited with the Libyan Government to supply 500,000 sophisticated detonation timing devices UPI

## POLAROID'S LATEST INVENTION

## The instant movie arrives

BY JAY PALMER IN NEW YORK

THE creation of instant "living images" has been the dream of Dr. Edwin Land for some 30 years, ever since the now 67-year-old founder, chairman and technical genius of Polaroid, first unveiled the instant photography boom by demonstrating a self-developing sepia print in February 1947.

Earlier this week, this dream finally came true. Dr. Land, performing before an audience of 4,000 wildly enthusiastic employees and shareholders, publicly unveiled for the first time ever Polaroid's new but still long-awaited instant colour home movie system, "Polavision."

The occasion had all the panoply of a Polaroid shareholders have come to associate with the introduction of new products. Standing on a stage which was dwarfed by the huge empty warehouse in which the annual meeting was being held, Dr. Land casually waved his hand.

At this signal the lights dimmed, music blared and onto the stage pranced an attractive dancer. Within minutes, the Polavision colour film of the scene taken by Land was being viewed by expectant shareholders.

The system consists of three parts—a small conventional-looking light-weight camera, a film cassette similar to, but smaller than, normal sound cassettes and a portable, television-like player-developer. Polaroid is still keeping the retail price secret but the entire system is expected to sell for no more than \$500.

The cassette which contains a small amount of developing fluid and unlike the player and camera is made in the U.S. by Polaroid itself, lasts for two minutes and 40 seconds and is

set to a bright light film speed of Asa 40. It cannot be edited. Both the camera and the player-developer are being made for Polaroid under licence by Zumig of Austria. Once the film is available in very limited quantities in the U.S. this autumn (the European launch will be next year), the cassette, which is inserted in a slot in the top of the player and within 90

seconds can be viewed again and again on the small 10-inch TV-like screen. The Polavision player will not play regular amateur films and the cassettes are not viewed on conventional projectors.

Shareholders were given a chance to try out the new system almost immediately on a series of special stages constructed at the back of the warehouse containing performing dancers, clowns, mimes and jugglers.

Their reaction, and indeed that of the much more critical technical press, was overwhelmingly favourable. Specific criticisms centred more on what the system had failed to achieve rather than what it actually did. Some described the picture as "jerky" and "grainy," while others noted that the choice of the Asa 40 film speed meant that the camera could not shoot indoors without bright spotlights. This said, however, the opinion prevailed: the brilliant colour and the sheer technical wizardry of the system

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pushing hard to capture this market. The big problem with Polavision is that, despite obvious similarities, it is really very different from the company's existing product. Certain to be priced very above even the most expensive instant print camera available, it takes Polaroid out of and way above the impulse market.

While camera dealers in New York are quick to identify the movie camera end of their amateur business as one of the fastest growing, it remains clear that present buyers are usually looking for sophisticated systems that may include—say—interchangeable lenses and built-in sound microphones.

Polaroid cannot match this—at least at the moment—and no-one, including the company's forecasters, can really have any reliable idea whether or not very expensive movies offering instant viewing will sell well enough to cover those research and development costs. The fact that the system is totally independent and not compatible with existing cameras or projectors means that, in effect, the company is looking for an entirely new market outside even existing home movie fanatics.

To a very large extent, the success or failure of Polavision will depend on future actions by Kodak, which, although number two in instant photography, is still the dominant company in the consumer market as a whole and is known to be studying an instant movie system of its own.

The Justice Department's continuing preliminary anti-trust investigation of Kodak will, if anything, work to delay that company's plans and give Polaroid a longer lead, every minute of which it desperately needs.

## Chinese betrayal charges

BY A SPECIAL CORRESPONDENT PEKING, April 27.



## New constraints on reactor exports may be proposed

By DAVID FISLOCK, SCIENCE EDITOR

PROPOSALS for major new constraints on the exporting of nuclear reactors as well as nuclear fuel technologies are likely to come before the latest meeting of the nuclear suppliers group when it meets for the first time in two years in London to-day.

The group, which was set up in 1975, is expected to discuss a number of proposals which could effectively kill the reactor export business of the nation concerned. The original group of seven nuclear exporting nations—Britain, the U.S., USSR, France, Germany, Canada and Japan—has been expanded to 14 and now includes all the significant nuclear exporting nations.

In his energy policy proposals last week, President Carter declared that light-water reactors—the type which dominate the reactor export market—are not a proliferation hazard.

But it is understood that the U.S. State Department has discussed the idea of placing the same constraint on the export of reactors by U.S. nuclear companies as it already places on the enrichment of uranium in U.S. Government-owned plants. In the case of enrichment, this is that the customer-nation

may neither reprocess himself nor send to another nation the spent fuel without an export licence from the U.S. Government.

In the case of reactors, the proposed condition of sale would be that fuel burnt in the reactor—whatever its source—should not be reprocessed.

Several of the original seven nations have already told the U.S. bluntly that they are not willing to support the readiness of the U.S. to halt reprocessing.

But the U.S.—with the support of Canada and Australia—may still press hard for general acceptance of its proposal that reprocessing of U.S.-enriched fuel should be permitted only if lack of storage capacity for spent fuel threatened to shut the reactor down.

Several nations, including Japan and West Germany, have laws which require nuclear plant operators to show that they have made adequate provision for the spent fuel before the plant can be licensed to operate.

## Substantial fall in S. African exports

CAPE TOWN, April 27.

SOUTH AFRICA'S exports in first quarter of the year fell substantially from the previous quarter's R1.1bn, according to the South African Reserve Bank. Mr. Brian van Staden, head of the bank's economic section, said the trend was alarming. Final figures were not yet available, but the fall after seasonal adjustment was substantial, he added. Exports totalled R4.5bn. in 1976 compared with R3.6bn. in 1975. Finance Secretary, Mr. Gerald Browne, said later the authorities were still looking for an export recovery, but if this failed to materialise there may have to be some stimulation of the economy although this will have to be done without affecting the balance of payments.

### African order

Orders worth a total of \$2.8bn. have been placed by African states, with the Swiss engineering and vehicle building concern, AG Adolph Saurer, of Arbon. The order includes a total of 240 heavy lorries and buses for Ghana and Central Africa, with further deliveries foreseen for the future. Together

### Leyland in Japan

Japan has approved a joint venture company in Japan between British Leyland International and Mitsui to increase imports and sales of Leyland cars, the Finance Ministry announced.

### Dunlop factory

Angus Fire Armour, a division of Dunlop, is to invest \$2m. in the U.S. to build and operate a new factory for the production of fireproof tires. Located in North Carolina, the factory, with an initial capacity of 2m. feet of hose per annum, is scheduled to come into production in 1978.

### Greek fleet

The Greek merchant fleet topped the 30m. gross tons mark at the end of March this year. According to figures released by the Ministry of Merchant Marine, the fleet's gross tonnage rose from 29,327,337 gross tons, March 31, 1976 to 30,327,337 gross tons, March 31, 1977.

## Zenith suit against Sony is settled

CHICAGO, April 27.

ZENITH RADIO Corporation said it reached an out-of-court settlement with Sony in Zenith's suit alleging unfair competitive practices.

Sony was one of several Japanese consumer-electronics manufacturers named in the 1974 suit filed in Philadelphia Federal Court. Terms of the settlement were not disclosed.

Mr. John J. Nevin, Zenith's chairman and president, often has specifically excluded Sony from his charges of unfair competition from Japan. Recently, Zenith acquired rights to market and sell video player-recorders based on Sony technology.

Zenith said it would continue to press charges against the other defendants, including Matsushita Electric Industrial, Sharp, Mitsubishi Electric, Sanyo Electric, and Motorola Inc., which sold its television-production business to Matsushita.

The settlement announcement came hours after Mr. Nevin told Zenith's shareholders that price reductions to fight competition from Japanese imports cost Zenith \$3m. in 1977's first quarter.

## Bilateral talks on textiles developing

By DICK WILSON

THE IMPASSE over revising the Multi-Fibre Arrangements, talks on which have now been deadlocked in Geneva since December, has finally led major textile importing and exporting countries to seek their own bilateral arrangements to protect their interests after the end of this year.

The pace is being set by the U.S., which is holding preliminary talks in Washington next week with Hong Kong. The U.S.-Hong Kong agreement negotiated under the MFA expires in September, so the need for stability in the forward trade is more marked.

But even the Europeans, whose bilateral agreements mostly last until December, are biting at the EEC Commission has sounded out some of its leading Asian suppliers on the possibility of bilateral agreements for 1978, presumably at similar levels to 1977.

If such arrangements could be secured it might then be easier for the Commission to convince the Nine governments to give a

### CAV expansion

Following a major investment programme for its U.K. plants, diesel fuel injection specialist CAV is now to extend the production facilities of subsidiary company CAV RotoDiesel based at Blois, France.

## LNG dispute continues

By ROY ROGERS, SHIPPING CORRESPONDENT

LONG-RUNNING dispute between Spanish engineers, Sener, and Norwegian shipbuilders, Moss Rosenberg, who have accused them of plagiarising designs for liquid natural gas carriers (LNGs), looks set to continue in London's High Court.

Sener is understood to have taken exception to a £200m. judgement issued by Moss Rosenberg, to the trade Press, outlining the Norwegian yard's design for LNG for offshore storage, condensing, and storage tanks.

Sener denies the accusations, and maintains that much of the design is inaccurate and misleading, and has warned Moss Rosenberg that it will seek a High Court injunction and writ of legal action is already underway in Spain where Sener is contesting Spanish patents for Moss Rosenberg's spherical LNG tanks. Last October Sener applied for the patents to be declared invalid, and Moss Rosenberg began counter action in the Spanish courts two months later.

Moss Rosenberg, which has patented its design in 11

## Agreed fares called for

By MICHAEL DONNE, AERO SPACE CORRESPONDENT

THE WORLD'S governments are being called upon by the International Civil Aviation Organisation to apply strictly any internationally-agreed fares policies, and to penalise violations.

The ICAO, which has just completed a two-week conference in Montreal on the economic problems of the world's airlines, does not suggest bnw governments should enforce the rules governing fares. But it stresses that if present violations continue, the world's airlines will lose up to \$300m. a year.

The ICAO, which comprises the representatives of more than 100 member-governments of the U.N., is to undertake a series of studies into the problems highlighted by the conference—such as the tighter regulation of charter capacity offered world-wide, the relationship between charter and scheduled services, and the enforcement of agreed fares and cargo rates.

Pending the completion of these studies, the world's airlines are being urged to "maintain harmony" between the scheduled and charter sides of the air transport industry.

## Malta lures investment with M-East links

By GODFREY GRIMA IN VALLETTA

IN ORDER to ensure that the Maltese economy will suffer no serious setback as a result of the complete closure of British bases here in 1979, the Maltese Premier Mr. Dom Mintoff's Government is presently caught in a struggle to attract an industrial investment of £M120m.

The order includes a total of 240 heavy lorries and buses for Ghana and Central Africa, with further deliveries foreseen for the future. Together

from abroad inevitably plummeted.

Yet when eventually interest in Malta picked up again, around 1975, Mr. Mintoff's industrial advisors lost no time in giving it momentum. As a result companies like De La Rue, the security printing concern, Shirauna, an offshoot of Japan's silver corporation, Toko, which also produces car radios and tapes, set up shop and quickly started expanding their operations. One also cannot overlook the fact that though guilty of slowness in attracting new industrial ventures, Mr. Mintoff's regime has done much to enhance Malta's potential as an industrial base.

### Affinity

Of particular benefit remains Mr. Mintoff's affinity with Arab leaders which has in the long run rewarded Malta with considerably large markets. It is a fact to-day that Malta-made goods gain swifter entry in most Arab countries, a point that is not lost on such major corporations as Britain's GEC, Hawker Siddeley, Tube Investments and

others in Europe, Japan and the United States poised to open up branch factories in Malta.

That countries like Egypt, Kuwait, Saudi Arabia, Libya and Algeria are guaranteeing Malta markets as a way of helping Mr. Mintoff develop Malta into a neutral state after 1979 has become one of the pivots of an aggressive marketing campaign currently being conducted by the Parastatal Development Corporation which is responsible for attracting industrial ventures.

Early in April Libya and Malta signed a protocol accord which covers the setting up of a number of projects two of which involve Britain's GEC and Hawker Siddeley in the production of switchgear, transformers, sub-stations and electric meters. Libyan interest, including the electricity corporation will be taking up a majority interest in both ventures which gives them a captive market.

Other schemes being mooted by the two countries include the setting up of a sugar refinery with an annual capacity of 120,000 tons, the sale of fabric by Libya to Malta for Maltese textile companies to manufacture

uniforms for Libya, the creation of a repair and maintenance centre for electrical and mechanical equipment, and a factory to produce explosives and ammunition among others.

Malta, of course, is also in the bappy position of being able to offer a disciplined labour force that is much cheaper than anywhere else in Europe. Wage increases here are synchronised with rises in the cost of living, which in these last years has moved ahead comparatively slowly, averaging at an annual 7 to 8 per cent.

### Support

The support Mr. Mintoff is given by the trade unions also keeps the island strike-free although in the months to come Mr. Mintoff will have to tread warily to preserve the peace. Nonetheless with the attraction of greater industrial investment the major task ahead it is unlikely that the unions or Mr. Mintoff will precipitate events to a state that would scare potential investors. If anything the plan is to strengthen even further Malta's potential whilst an aggressive promotion campaign is kept firmly on the road.

Mr. Joe Cassar, the Maltese industrialist who was recently appointed by Mr. Mintoff to run the Development Corporation, said: "Much about Malta to-day makes it the ideal industrial base from where European and Middle East markets can be tapped. Bigger markets and bigger schemes are coming our way." He explained that all this would be clearly spelt out in detail to American and European prospective investors in the months to come.

Malta now can also reap the benefits of an accord, hammered out with the EEC by Mr. Mintoff's administration, which allows almost every type of Malta-made product entry into the Common Market at zero tariff. Malta's new-found attractions are especially not lost on foreign investors. Following a rousing "Come to Malta" speech Mr. Mintoff delivered to the Confederation of British Industry early this month, negotiations were started with six leading British companies interested in coming to Malta, Mr. Cassar asserts. At the same time three major American corporations are also keen to set up plants for the repair and maintenance of oil refinery equipment.

At current prices, that's how much the total estimated reserves of commercially recoverable North Sea oil are worth.

Shell reckons the current account benefit to be over £5,000,000,000 by 1980. By any reckoning that's an impressive sum of money. For British industry it can mean the difference between further decline and a new competitive strength in the years ahead.

The opportunity to invest this money well must not be missed.

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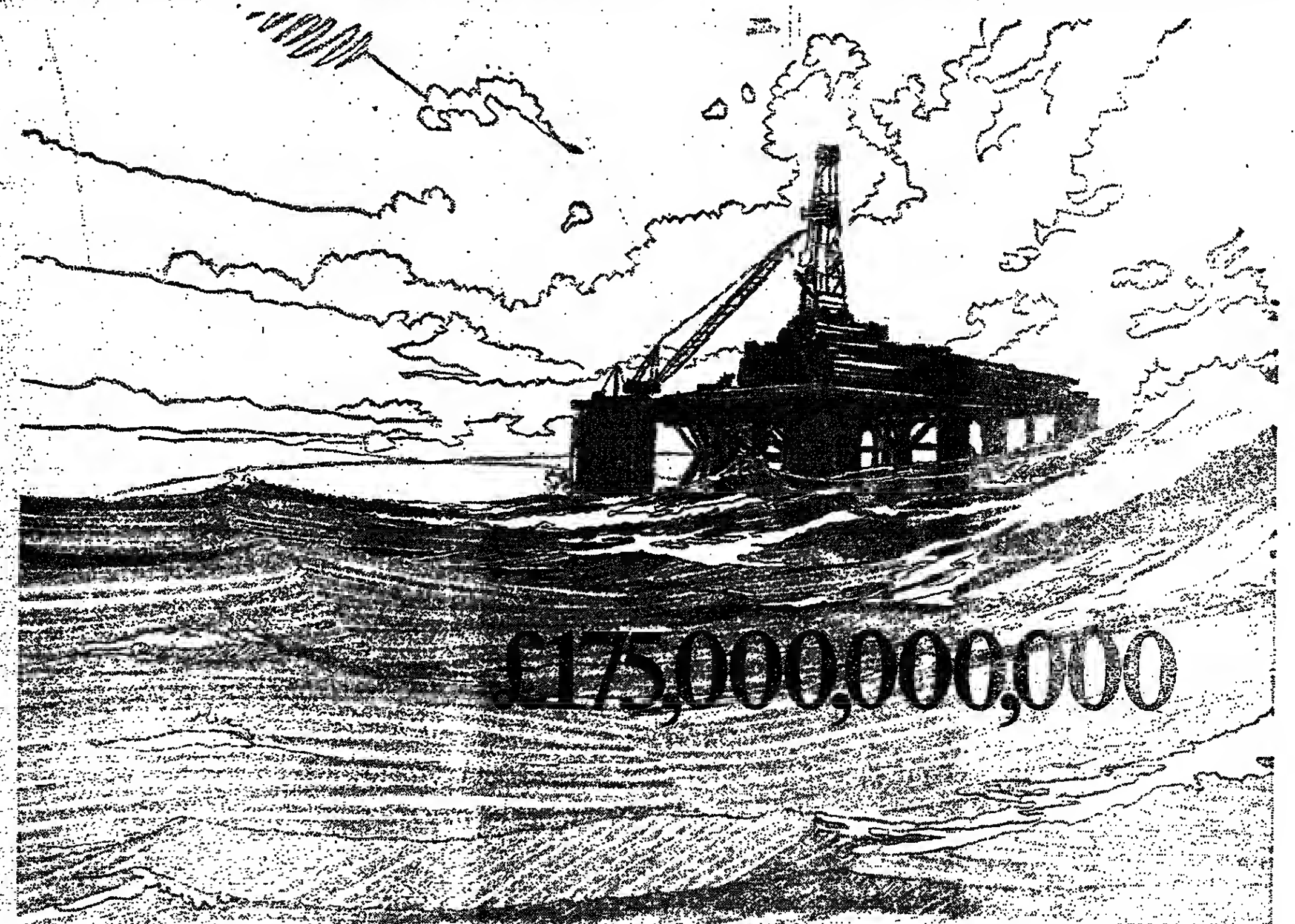
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# Inflation 'at least 10% until 1980'

By Peter Riddell, Economics Correspondent

THE ANNUAL rate of inflation will not fall below 10 per cent before 1980, while the general trend of unemployment will continue upward until the end of 1979, according to the 101-page Economic Outlook published by the Centre for Economic Forecasting of the London Business School today.

The report takes a gloomy view of the prospects for output in the U.K.—up 0.5 per cent in real terms in 1977—and projects a renewed world recession in 1978 and 1979.

The only bright spot is a forecast of a rapid movement into surplus on the current account of the U.K. balance of payments during the year, reflecting the rise in domestic oil production and the impact of slow domestic growth on imports.

A surplus of £1.74bn. is projected for 1977 compared with the Treasury estimate of a £500m. deficit for the year.

The report projects a rise in the surplus to £2.31bn. next year, but gives a warning that the surplus could fall to £1.77bn. in 1979 and £2.24bn. in 1980 as the recovery in domestic consumption and stockbuilding pushes up import volumes rapidly, while exports only follow a sluggish growth in world output.

The Outlook also contains a strong attack on the Government's current exchange rate policy from Mr. Alan Budd and Mr. Terry Burns, leading members of the Centre.

They maintain that the present policy of combining tight monetary policy with a low exchange rate threatens to provide the worst of all possible worlds—a recession accompanied by continuing high rates of inflation.

"An upward movement of the exchange rate under the pressure of market forces is the most efficient way of reducing inflation."

The report also suggests that there is a clear link between movements in the real money supply and changes in world output about three quarters later. So there is now a danger of a "monetary crunch," with governments around the world tightening monetary policy in response to the emerging inflation.

Even if the present rate of monetary expansion of 10 per cent is maintained, a sharp slowdown in output is expected in 1978.

World industrial production is projected to rise by about 5 per cent this year, 1 per cent in 1978, and 1 per cent in 1979.

In the U.K. growth is not projected to recover strongly until 1980, with domestic demand particularly weak for the next nine to 12 months. Real disposable income will fall by about 21 per cent this year.

Earnings are expected to rise by about 101 per cent during the next two to three years, which is higher than the latest Government estimate, and by about 14 per cent in 1978 and 1979.

Consumer prices are forecast to rise by about 151 per cent this year and by about 12 per cent in 1978 and 1979.

Economic Outlook, April 1977. Centre for Economic Forecasting, Sussex Place, Regent's Park, London, NW1 4SA. £3.00.

## SUMMARY OF FORECAST

% Change in real terms	1976	1977	1978	1979	1980
Consumption	0.2	-1.2	2.0	2.4	3.9
Private Investment	-4.2	-1.2	9.3	2.1	4.1
Exports	4.9	5.7	4.1	3.4	4.3
Imports	5.8	1.9	5.9	7.1	9.0
Output	0.8	0.7	1.7	2.0	3.9
Current Balance	-1.42	1.74	2.31	1.77	0.61

Source: London Business School

## Kirkby 'will make profit this year'

By Our Liverpool Correspondent

KIRKBY Manufacturing and Engineering, the Merseyside workers' cooperative which has just been offered a further Government grant of £500,000 against the advice of the Industrial Development Advisory Board, will be profitable by the end of this year, according to Mr. Jack Spriggs, union convenor and a director.

The cooperative had gone back to the Government for more money—while Mr. Eric Varley, Industry Secretary, made clear on Tuesday, is being offered to preserve the 775 jobs involved—because it had faced "immense difficulties" since the project started.

"The factory needed new equipment, and we were anxious to produce new products," Mr. Spriggs said. Kirkby makes domestic radiators, car components, soft drinks and fruit juices.

"Money had to be spent fairly heavily on developments, and it was virtually impossible to obtain credit."

"Even nationalised industries like British Steel demanded cash payment for every delivery they made. At one stage, we had to go abroad for our steel supplies."

Some £2m. of the initial £3.9m. grant made in 1975, when Mr. Anthony Wedgwood Benn was Industry Secretary, "went straight away because we had to buy the factory and equipment from the previous owner."

**Precaution**

The factory was not in danger of closure. "We asked for the money more as a precaution than anything, we won't need any further help because we are already breaking even and will be making a profit by the end of this year."

Officials from the Department of Trade and Industry regularly vet the accounts and order books.

A call for a rethink in Government policy on regional (industrial) development aid came from officials of the Yorkshire and Humberside Development Association yesterday. Our Sheffield Correspondent writes.

## GLC cash aid likely for Earl's Court

By Stuart Alexander

GREATER LONDON COUNCIL cash aid for the Earl's Court Exhibition centre, along with an equity stake in the business, now seems likely regardless of who wins the May 5 elections.

Such action has long been favoured by the Tory opposition on the GLC and, in a surprise move yesterday, Mr. Ilyd Harrington, deputy leader of the council's controlling Labour group, announced that it too was planning to make financial support available.

Talks had reached an advanced stage with the owner, Town and City Properties, on a scheme which would involve the GLC's taking an equity and profit-sharing stake for an investment of between £1m. and £2m. a year for up to three years.

Mr. Harrington's disclosure, coming in the midst of the GLC election campaign, at once produced an angry retort from Mr. Horace Cudde, opposition group leader, and a plea from Town and City Properties that the future of Earl's Court should not become a political issue.

## Producers launch scheme to revive film industry

By Arthur Sandles

A HIGH PROPORTION of Britain's film producers has backed a plan for revitalising the British film industry. The 265-member Association of Producers has decided to press ahead with negotiations which could sweep aside many present film industry practices.

The association is to approach unions, film distributors and the National Film Finance Corporation with proposals for financing films costing less than £500,000 to make from union minimum manning levels.

The proposals also provide for no individual employed on such projects to be paid more than 5 per cent of the budget and for exhibitors and distributors to work only for a normal retail price.

Men and Matters, Page 22

## NEWS ANALYSIS—SOTHEY'S

# International outlook brings profit

By Antony Thorncroft

AT 9 p.m. on October 15, 1958, in its Bond Street saleroom, Sotheby's auctioned seven impressionist and modern paintings from the Goldschmidt collection for £781,000—and became the leading force in the international fine art market.

The sale set records for an individual auction, and for an individual picture, when Cézanne's "Garçon au Châli Rouge" fetched £200,000, which was more than double the previous auction-room record for a picture.

The second most important date in the 233-year history of the company was in 1864, when it bought Parke Bernet, the largest fine art auction house in the U.S. This move gave Sotheby-Parke Bernet, since 1975 the company's official name, an international outlook which was vital to take advantage of the growing internationalism of the art market and the coincidental decline of the U.K.

Last season, for the first time, the New York office overtook London as leading sales outlet, achieving a turnover of £39.3m. against London's £36.7m.

London sales fell slightly, a disappointing result, given the fierce inflation. All told, in 1976 Sotheby-Parke Bernet had an international turnover of £98m.

well ahead of the £45m. of its market, and in prices, has certain traditional rivals, Christie's. In 1976, Christie's annual sales had been closer to £4m.

Before 1958 there had been a slow haul for over two centuries. Sotheby's was started by Samuel Baker, a bookseller, in 1744, and in 1824, when he was 82, he died.

For many years the auction house specialised in books, and sparked off a second look at the company's name and its man more established works, such as the family, for as Old Masters.

But since 1861 the company, to take advantage of the collecting boom, has been run and owned by its "spree." In 1960-61 its turnover was £3.9m., last in a reconstruction exercise, season it was £38m. For books about 20 per cent of the shares and manuscripts the growth has been sold to the Rothschild house from £1m. to £8.4m. in the investment Trust for about same period. In 1960 Sotheby's set an auction record for a manuscript of £85,000, paid for the script of St. Albans Apocalypse. In 1976, the company secured a 1510 Flemish Book of Hours.

In 1968 a coloured diamond of 15.47 carats fetched £20,000. Last year a lilac pink diamond of 24.4 carats sold for £800,000.

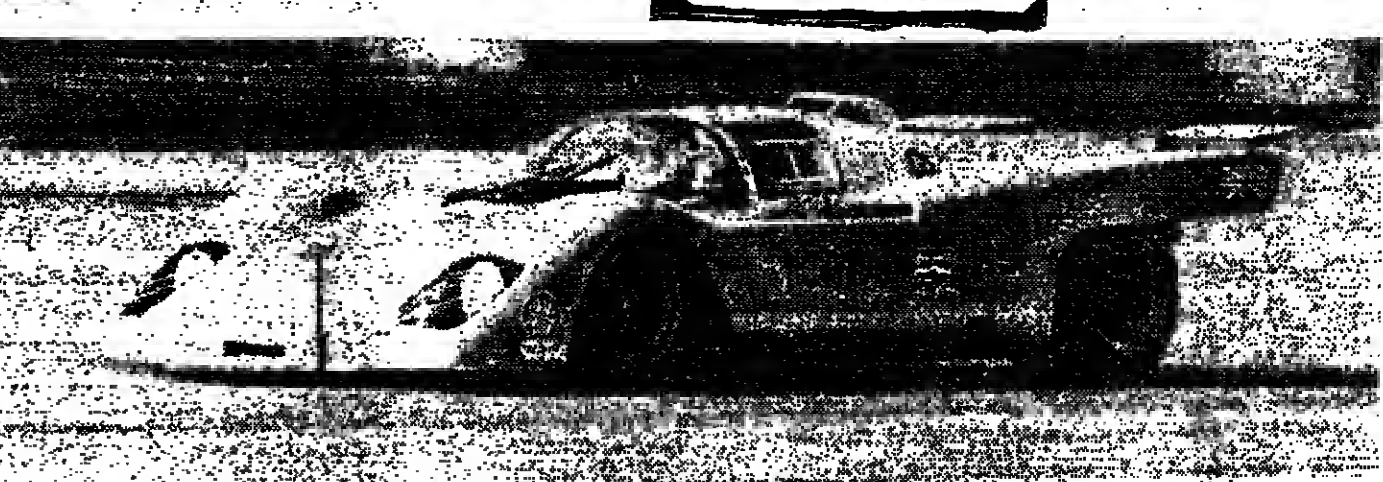
Sotheby's income deriving from its commission on the London auction house, specialists in hammer price the rapid rise in books, to becoming by far the largest fine art saleroom in the world. The boom in the art

At the start of the 1975-76 season Sotheby's introduced a 10 per cent premium to be paid by buyers, the same time reducing the charge to sellers to 10 per cent. This added perhaps £3.5m. to its income last year, bringing it close to £15m.

The extra revenue was needed to pay interest charges on the borrowings needed to finance the rapid overseas expansion of recent years, especially the acquisition, for £2m., of Mak van Waay in Amsterdam in 1974. Now Sotheby-Parke Bernet operates in 21 countries, with auction rooms in 10.

The overseas offices are vital to Sotheby's future. As an acknowledgement of their importance, Christie's holds its first auction in New York next month. In its own recently-acquired rooms, in the opening period of the 1976-77 season, until Christmas, overseas sales contributed almost £28m. of the Sotheby turnover of £38m. (a £10m. jump on the same period of 1975-76).

London is still important, not least for its expertise, but Sotheby-Parke Bernet is as international as the art market, which provides it with broad security, now that the U.K. economy no longer dominates the private British collector of fine art.



A British land speed record for the flying mile was set yesterday by Mr. Robert Horne, joint chairman of Horne Brothers, the London tailors. The previous record, 170.6 mph, was set by Sir Malcolm Campbell 51 years ago. Mr. Horne averaged 191.64 mph in his 1970 Ferrari 512 M on the runway at RAF Fairford, Gloucestershire, where the Concorde flight tests programme was conducted.

## Soft drink company saved

By Kenneth Gooding, Industrial Correspondent

CANTRELL AND COCHRANE, the "Club" soft drinks concern, has emerged from a struggle for survival which might have resulted in its going out of business.

The slimmed-down company said yesterday that it made a profit of £1.5m. in 1976 on a £14m. turnover. It would spend £3m. over the next 12 months on new equipment, £1.06m. of it on a high-speed bottling line. The company ran into severe cash-flow problems early in 1975 and the shareholders instituted a tax and adjustments to dealer margins, are taken into consideration.

The strong competition in the petrol sector will ensure that for the foreseeable future, discount offers will remain.

As a result four star petrol in the London area could cost anything from 80p-82p a gallon in areas where there are many garages to 92-94p in the more sparsely served areas.

Details of the increases in wholesale prices per gallon are: Esso—petrol (all grades) 1p.

Some of its financial problems were caused by the company's stepping tentatively into the grocery and supermarket business and supporting sales to these outlets with television advertising. Turnover increased and profits plummeted.

A new chairman from Cadbury Schweppes, Mr. Wym Price-Davies, was seconded to run the reorganisation. He has handed over to Mr. H. T. F. Carter, for eight years chairman and managing director of Marston Packaging International.

## New aerospace headquarters

By Michael Donne

BRITISH AEROSPACE, the nationalised aerospace industry organisation, which formally came into being tomorrow, will have its headquarters at Weybridge, Surrey, at present the headquarters of one of its constituents, the British Aircraft Corporation.

The new body takes over the corporation, Hawker Siddeley Aviation, Hawker Siddeley Dynamics and Scottish Aviation, with a combined labour force of 63,700, 18 factories, 10 airfields and an order book worth more than £2bn., most of it for export and mostly comprising military aircraft and missiles.

## Pit jobs sought by 5,000

MORE THAN 5,000 people have applied to the Coal Board for 2,100 jobs in the North-East since a recruiting drive started six weeks ago, Sir Derek Ezra, chairman, said yesterday.

In addition to the jobs at the region's 32 pits, the Board is also offering 700 apprenticeships in 21 countries, with Durham in the next 12 months.

## Big petrol groups increase prices

By Ray Dafter, Energy Correspondent

MOST OF the big oil companies have now increased the price of their oil products, pushing the cost of some petrol well over 80p a gallon.

British Petroleum—five star petrol 1.6p; other grades of petrol 1.5p; Derv 2p; gas oil 1.6p; standard grade kerosene 1.5p; light fuel oil 2p; medium fuel oil 1.1p; heavy fuel oil 1p.

National Benzole has raised petrol and Derv prices by similar amounts to BP. Mobil—five star petrol 2.1p; other grades of petrol 1.1p; diesel fuel 2p; domestic heating oil 2p; commercial heating oil 1.5p.

Phillips Petroleum—gas oil, Derv and regular kerosene 2p; fuel oil 1.5p.

Esso pointed out that the increases were well below those justified by increased costs. "It is the market place not the price control system that is restraining the increase in the price of oil products."

The pump prices of petrol in Britain remain cheaper than those in almost any other European country.

## IN BRIEF

### Mill for Shetlands

A consortium of five companies will build a mill at Sandwick in the Shetlands to manufacture Barytes, the heavy mineral used in drilling mud. The 4,000 tonnes a year production will supply the northern North Sea oilfields and save about £2m. on imports annually.

### 'Millions wasted'

Millions of pounds are being lost in the North-East because councils are giving construction contracts to their own workers rather than allowing outside contractors to compete. Alms for Freedom and Enterprise claims to-day in a report by Mr. Malcolm Hoppe, an economist.

### Rescue hampered

The Employment Protection Act could frustrate attempts to rescue

## Sole owners

Harland and Wolff will invest in the leasing company to the extent of £12m., in the form of redeemable preference shares, to be financed by the Northern Ireland Department of Commerce.

## 'Moonlight' repairs

The increasing number of "moonlight" mechanics carrying out car repairs is causing concern to the motor trade, according to the Automobile Association's magazine, Drive. Labour charges ranged from £5.80 to £9 an hour.

## Textile design

Textile manufacturers should put more emphasis on quality of designs and styles than on the volume and variety. Mr. C. Russell Smith, a vice-chairman of the Wool Textile Delegation, said at an inaugural meeting of the British Men's Fashions Association in Bradford.

## Office staff demand grows

By Andrew Taylor

DEMAND FOR office staff in central London is increasing, according to one of Britain's largest private employment agencies. It says that the increase could be the forerunner of a general rise in demand for labour.

Mr. Bernard Marks, chairman of the Alfred Marks Bureau which operates from more than 100 branches in London and the provinces, said yesterday: "It appears that in spite of high national levels of unemployment, we are again moving into an era in which qualified office staff will be scarce."

"An upsurge in demand for office staff augurs well for the economy. Based on experience gained in previous recessions, it means that investment decisions have been made. These usually precede by about six months a general increase in the demand for labour."

A survey of secretarial and clerical salaries published by the bureau reported an increase in vacancies for permanent and temporary staff since the New Year. In most demand are those with typing and secretarial skills. The number of office vacancies registered in central London in February was 16 per cent higher than for the same month last year.

There has been a further increase in the number of office workers changing jobs—mostly because of a drive for higher wages with companies finding it difficult to hold on to workers as the code limits their ability to meet demands for more money.

The bureau reported that secretaries and short-hand typists now play an average of 21 months with one employer.

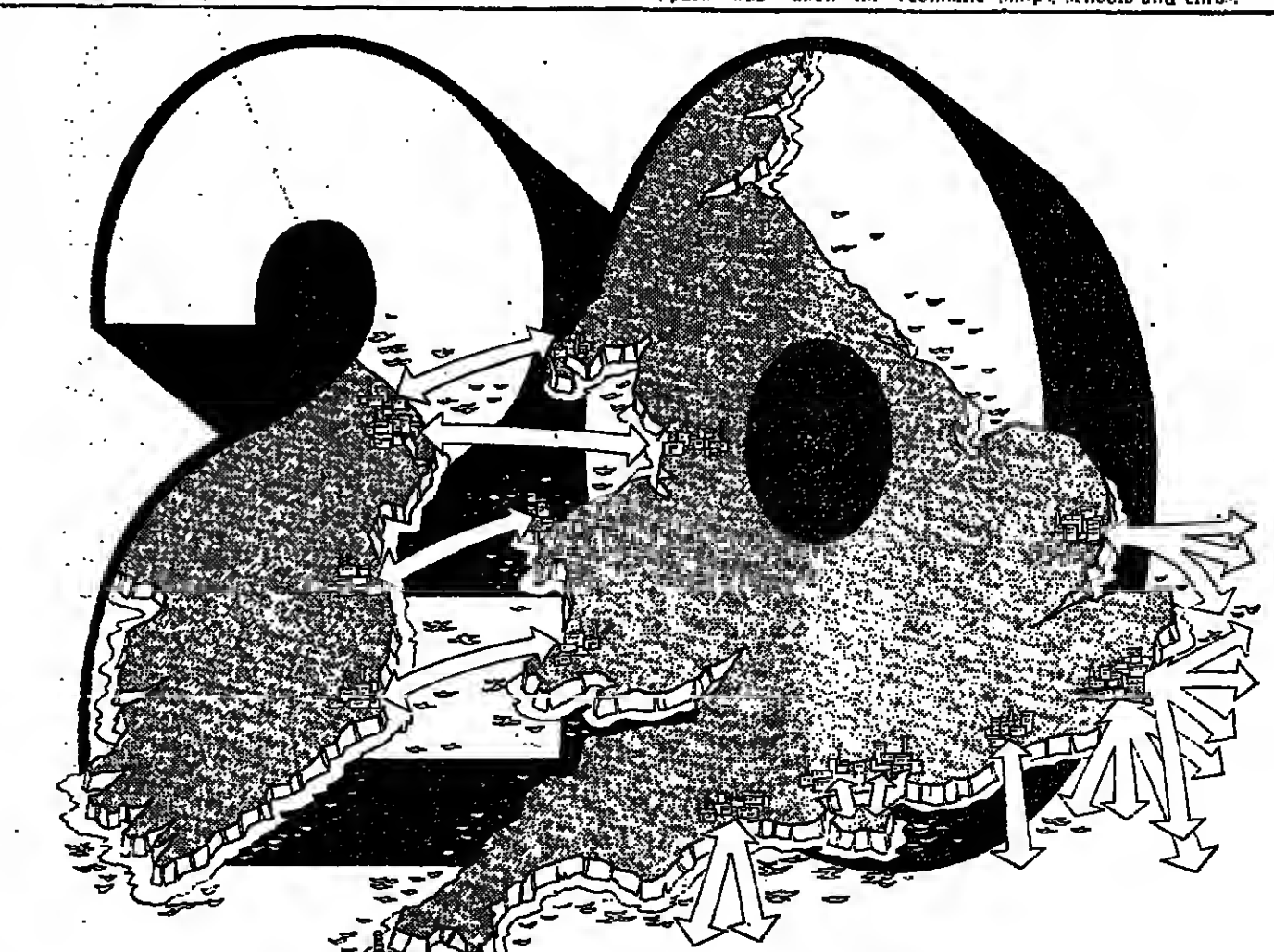
## Fire damage up by £5m.

By Eric Short

FIRE DAMAGE in Britain jumped by £5m. to £19m. last month, according to estimates released by the British Insurance Association yesterday. This was nearly £2m. lower than in March last year, but the total for the first three months of this year, at £55.5m., is ahead of the figure for the corresponding period in 1976.

Two major fires occurred last month, one at a paper mill in North Wales and the other at an importers in the South-East, where the combined cost totalled about £1m.

There were 13 other fires where damage was estimated at more than £50,000, and 85 losses with individual damage in excess of £5,000. These included 28 at shops, schools and clubs.



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## PARLIAMENT and POLITICS

## Silkin deal fails to meet farmers' needs—Tories

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE OUTCOME of this year's EEC form price negotiations represents a very good deal for the British housewife and the farmer, Mr. John Silkin, Minister of Agriculture, claimed in the Commons yesterday.

"The final package is a considerable improvement on what was originally proposed by the Commission. For us, the key objective was to keep consumer price increases to an absolute minimum while at the same time obtaining a fair deal for the farmer," he declared.

But the Minister came under strong attack from the Tories. Mr. John Peyton, "shadow" Minister of Agriculture, argued that Mr. Silkin had gone very little by his obstinate stand in the negotiations and had merely succeeded in alienating our Common Market colleagues.

Mr. Peyton claimed that in his statement to the House the Minister had shown "a sublime disregard for the fact that the labour front is not the labour front."

Throughout 45 minutes of questioning Mr. Silkin came in for constant criticism from the Tories on the grounds that he had not done enough to protect the interests of the farmer. Conservative backbenchers were particularly concerned at the plight of British pig breeders who are now incurring heavy losses.

From the Government benches, however, there was unanimous support. Labour MPs, particularly the anti-marketisers, urged the Minister to get on with the job of reforming the Common Agricultural Policy with a view to abolishing the large food surpluses in the Community.

Support for the Government came from the Liberals with Mr. Gerald Howells (Cardigan) saying the negotiations as a holding operation until Britain could persuade her Common Market partners to reform the CAP. He thought that the hutter subsidy and the devaluation of the green pound were steps in the right direction. But, like the Tories, he was very concerned about the position of pig breeders.

Replying to questions, Mr. Silkin came out strongly against the latest decision. He said the Brussels Commission to lift the ban on sales of subsidised butter to East European countries, or reduced prices.

"I think the sales are not only an obvious feature. They are a symptom of what happens when you accumulate a structural surplus and it becomes more economic to sell it highly subsidised outside the Community than to those in the Community who really want it," he said.

In his statement, Mr. Silkin emphasised that Common Market support prices would rise by 3.5 per cent—the lowest figure since

MR. JOHN PEYTON  
"Loss of goodwill"

He believed that to be absolutely wrong.

From the Opposition front bench, Mr. Peyton demanded to know why Mr. Silkin had originally taken such an obstinate line in the negotiations in March. He wondered what had been gained to justify all the bitterness and loss of goodwill which had resulted.

"It would appear that it is something less than 1p in the

f subsidy on butter," he maintained.

The way Britain had carried out the negotiations had caused immense resentment in Europe. Because of the loss of goodwill, Britain had been prevented from raising the question of structural surpluses, let alone making progress on reform of the Common Agricultural Policy.

Mr. Peyton pointed out that farm costs went up 20 per cent last year but less than half of this increase had been recouped by British farmers as a result of the Luxembourg settlement. This meant that the Government's agricultural policy outlined in "Food from our own Resources" was now looking decidedly shop-soiled.

The Opposition spokesman doubted whether the Minister fully understood the consequences of the British pig producers who were now losing £4 on every pig. If he did understand, then Mr. Peyton wondered why the matter had not been discussed at Luxembourg.

Mr. Roy Thomas (Lab., Bristol N.W.1) said: "The time has now come to issue an ultimatum that, unless this indefensible CAP is scrapped within 12 months, we will come out of the Common Market."

Mr. James Scott-Hopkins (C., Wexley W.) told the Minister: "What you have gained has been far outweighed by what you have lost. The consumer and farmer will regret the day you were made Agriculture Minister."

## Labour going ahead with plan to build new headquarters

BY RICHARD EVANS, LOBBY EDITOR

THE LABOUR PARTY is to go ahead with plans to build its new headquarters despite fierce opposition from the party's own members. The chosen site is in the Walworth Road, South London, and it is hoped the new development will be ready in about three years.

Leaders of trade unions, affiliated to the Labour Party, are to be asked to move to the new premises until the new building is ready. Some of them have been asked to vacate Transport House by June and the remainder by the end of the year.

After a long debate in the NEC yesterday, it was decided by 15 votes to one with several abstentions to go ahead with the new headquarters. Opponents of the plan, including several staff members at Transport House, support prices would rise by 3.5 per cent—the lowest figure since

and the centre of political activity. They would have preferred to take a 50 year lease on a building near Whitehall. But the majority accepted the need to build their own headquarters rather than face the cost of renting accommodation in central London. A desperate hunt is now on to find temporary premises until the new building is ready. Some of them have been asked to vacate Transport House by June and the remainder by the end of the year.

## Changes suggested in citizenship law

BY RUPERT CORNWELL, LOBBY STAFF

RADICAL CHANGES in Britain's confused nationality laws that would replace the present status of citizenship of the U.K. and Colonies by a more rational system are proposed in a Government consultative document published yesterday.

The nub of the green paper is its suggestion that two new categories should be created: British Citizenship for people with close ties with this country who would have an automatic right of entry, and British Overseas Citizenship, without that right, for those linked primarily with British dependencies.

At the same time, the Government puts forward the idea that women as well as men should be able to transmit their citizenship to children born abroad and wonders whether men as well as women from abroad should be able to acquire British citizenship by marriage.

The exercise is aimed at replacing the existing 1948 Nationality Act—now almost incomprehensible after being amended some 40 times over the years as former colonies won independence, and as a result of subsequent Immigration Acts.

British Citizenship, the document says, would be granted to people born, naturalised, or registered here to those who held citizenship of the U.K. or Colonies by descent, and to those from dependencies or former dependencies who have lived in Britain for a specified period.

Broadly, the proposals formalise the de facto division now between those who hold the right of unqualified free entry and those who do not. A limited number of people who now have right of entry but who would not become British citizens might be allowed to retain that right during their lives.

Mr. Morlyn Rees, Home Secretary, told the Commons yesterday that the Green Paper should merely be the prelude to a full national debate as possible. In the meantime, consultations were already under way with interested Governments and these could be continued at the Commonwealth conference in London this summer.

He stressed that the changes would have no effect on the volume of existing immigration, in particular, remaining U.K. passport holders in East Africa would continue to be allowed entry into Britain under the present voucher system.

Moreover, assuming agreement could be reached and the Government decided to go ahead, such was the complexity of the issue that legislation would not be ready for at least two years. But these assurances did not prevent a barrage of criticism last night from leading civil rights and community relations

bodies who, while welcoming the British Government's move to sort out the confusing laws of the 1948 Act, attacked the document as both confusing and "deeply alarming."

The Action Group on Immigration and Nationality said a suggestion for a single new British nationality with clear rights and duties attached to it might have been expected. "But this has not happened. The paper sets up two British nationalities and defines the rights of neither. This makes sense and creates an even worse muddle."

And while approving of the canvassed easing of discrimination between the sexes on matters of citizenship, both the Action Group and the Ruddy-made Trust complained that with its "narrow and negative approach" the document merely bordered on law the law drawn by present immigration restrictions.

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## Watkinson urges pay limit set by panel

BY PHILIP RAWSTORNE

A PHASE THREE pay settlement that would bring inflation down to 5 per cent next year was essential if the country's exports were to remain competitive, Lord Watkinson, president of the CBI, said yesterday.

All the hard won gains of the past two years would be thrown away if those involved in seeking another round of pay restraint lost their nerve at the critical moment, he said.

Lord Watkinson, speaking at a Parliamentary Press Gallery lunch, called for a settlement that would begin to pave the way for a radical reform of collective bargaining. Pay and price controls in their present form should be replaced in the longer term.

An independent panel of arbiters, rather than the Treasury, should determine each year what the country could afford in terms of pay and salary increases. "It is necessary because we are never going to be in a sky is the limit" pay situation," he declared.

## Economy

Lord Watkinson said that the Government would have to give a firm undertaking that the public would be observed in the public sector. "That means the Government setting cash limits for the industries that it controls rather than a pay norm."

Over the rest of the economy, a method of flexible bargaining within company and plant pay limits could be adopted, he added. The limits would be broadly related to those set by the panel of arbiters.

"Finally, over and above any pay bargain, self-financing and thus self-liquidating pay and salary increases would be encouraged."

Lord Watkinson declared: "We really must move on towards a high-output, high-wage economy."

Both the CBI and the TUC should take a more central role. They would have to become more deeply involved in the creation of a viable, long-term industrial strategy. "If we don't have such a strategy, our country is done and finished."

Government economic decisions should be based on "hard facts" coming from industry, not the Treasury computer, he said. The industrial strategy developed in the National Economic Development Council could provide more continuity of policy.

"In this way we could get what Britain so desperately needs—higher output, lower inflation, more profits, less under-used plant. Above all, more money for those who earn it and a much greater concentration on the productive aspect of the economy."

## Millan expects Budget benefits for Scotland

FINANCIAL TIMES REPORTER

THE GOVERNMENT was urged yesterday to issue a White Paper on the Scottish economy. The call came from Mr. Teddy Taylor, shadow Secretary for Scotland, who said some kind of survey should be carried out to try to establish the impact of the Budget on Scotland.

Mr. Taylor told the Commons he was concerned about the effect of the petrol price increase and transport measures generally in Scotland, particularly the rural areas.

Mr. Bruce Millan, Secretary for Scotland, replied that in effect the Budget would be to improve the position in Scotland. He said the House should be "very heartened" by the recent drop in unemployment.

Mr. Millan declared: "I expect the broad pattern of recovery indicated by the U.K. forecasts

## PRICE COMMISSION BILL

## Hattersley says market leaders face scrutiny

BY IVOR OWEN, PARLIAMENTARY STAFF

CONFIRMATION THAT the main competitive efficiency and detailed price investigations to industrial performance in less than perfectly competitive markets was not a task confined to the next few years.

Turning to the membership of the revamped Price Commission, Mr. Hattersley undertook to make appointments in which industry representatives would be included and which would produce a more balanced picture of the economy, including men and women of proven industrial success.

"Usually they will concern prices which guide and govern the costs of other goods and services. Each investigation will certainly influence more prices than those which are actually under its terms of reference."

Mr. Hattersley suggested that many companies would choose to hold back possible increases in order to avoid investigation. Others would be affected by price controls placed on their competitors.

Mr. Hattersley was confident that the strengthened and more flexible powers to be conferred on the new Price Commission would operate more effectively than the current procedures which had been applied in the past.

A general price code applied by cost control was unworkable, he said. It laid down rigid rules, the rules were inevitably arbitrary and indiscriminate.

Cost control procedures, by attempting to rotate a firm's pricing policy to its past performance, had become a straitjacket from which improving and expanding firms rightly wished to escape.

Mr. Hattersley insisted that he was not interested in the appearance of statutory control. "I want a price policy which neither detours investment nor allows unnecessary price increases. This Bill provides it."

## Strategy

The immediate object of the Bill—the ability to freeze the price of particular goods and services and the right, after a sectoral examination, to regulate prices for an entire industry—would play a direct and significant part in the Government's counter-inflation strategy, he maintained.

Mr. Hattersley envisaged that the overall effect of the provision in the Bill on the price level would certainly be greater than that of the existing price codes. "The effect of each investigation and possible freeze will be significant and visible," he stressed.

The Minister assured the House that price increases needed by efficient and competitive firms to finance investment, preserve quality or meet unavoidable costs would be allowed. "Price increases which merely produce swollen profits not productively used, or are the simple result of management's preference for passing on costs rather than attempting to improve efficiency will not be allowed."

Mr. Hattersley claimed that the flexibility of the new powers to be given to the Price Commission would be wholly consistent with the Government's industrial strategy. The criteria in the Bill would be able to ask the Commission to examine prices or shares in a whole sector of the economy.

When such a request was made, the Secretary would be able to regulate within the sector, the resulting report would be made. He would have to freeze prices at their levels or to require a reduction.

But Mr. Hattersley said that sectoral references would take up a small part of Commission's time. Most of Commission's work would be done under its own initiative and in accordance with judgment—against the ground of principles in the Bill.

The Minister was adamant that the efficient, socially responsible company had nothing to fear from the Bill. The Bill would indicate to the Commission that it should take account of the effect of a freeze for one company's viability of its competitors.

In an all-out attack on the Bill, Mrs. Sally Oppenheim, shadow Minister for Prices and Consumer Affairs, argued that the most it would produce was a short-term distortion—"a disguise rather than a cure."

She scathingly condemned the failure of the Government's counter-inflation policy. The Bill would become a route with one disaster following another.

She moved a Conservative amendment declining to give a second reading to a Bill "which establishes a system of price control that will discourage investment and destroy jobs without any genuine benefit to the consumer."

Mr. Hattersley endorsed the implications of the Bill that Government intervention within the economy was right and necessary. "It does seem to protect the consumer against the normally stronger forces of industry and commerce. It does require private industry to be publicly accountable for its actions."

"The Bill is not based on the principle that what is right for big business is right for Britain. It emphasises the central role of the strengthened Price Commission. Mr. Hattersley stated that it would be entitled to pre-empt price increases in manufacturing and service industries and in the profit margins of distributors. The Commission would decide which of those should be investigated."

Nationalised industries would be included in exactly the same way as companies within the private sector. From time to time the Secretary of State of the Commission to examine prices or shares in a whole sector of the economy.

Acknowledging the criticism which Labour MPs have about this vote, Mr. Hattersley explained that it would be used, purely, if at all, to ensure that a company was not negotiating with the Government—considering a merger which might be directly related to the industrial strategy or to a planning agreement. It should not be used to accept a Price Commission investigation.

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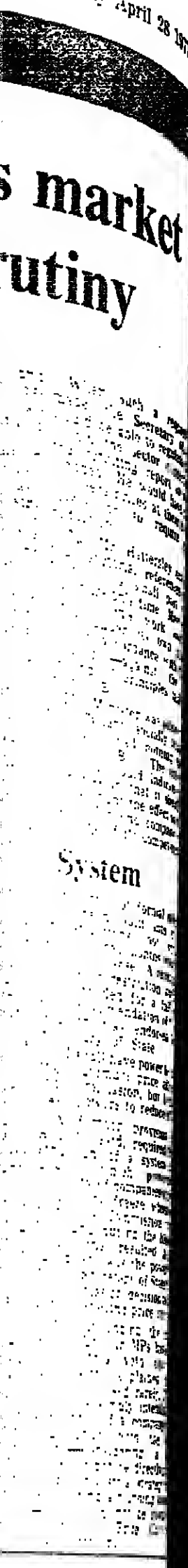
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## THE JOBS COLUMN

## With due reference • Bloggs system of career choice

BY MICHAEL DIXON

FOUR MONTHS after taking my sixth job I could no longer blind myself to the evidence that I had made a mistake. It was a potentially wrecking one because the move had been into a new career for which I was evidently ill-suited and unless I could scuttle back into the other career which had started with my fifth job, there seemed heavy odds of a relapse into the clerkdom where I had been confined before.

Knowing the severe job-hunting handicap of being unemployed, and being impressed by the sudden disappearance of three of my new executive colleagues for sins against our collective chief far less grave than round for post number seven, not only quickly, but very secretly.

A couple of applications failed, but the third one took, and I was fortunately able to merge the two interviews into my legitimate travels. The job meant a 30 per cent. cut in salary, and I felt that it was being offered behind the back of the person then doing it. But the spectre of a second clerkhood drove out any consideration other than that the post was in the right trade, and I put my best image forward to good effect.

"But before I can consider making an offer," said the employer at length, "there is

the question of references?" At once I provided the name of an eminent local citizen who had known me—with fortunate gaps—since boyhood, and the names of the fourth and fifth managers I had worked for. And then I specifically stated my fear that my present employers might well react vindictively to the news that I wished to leave them. Even if it disqualified me in his eyes, I added, it was most important to me that he did not contact them.

He immediately did so, of course.

## Requests

Obviously, I share that experience with many other people. The continuing response to the Jobs Column's proposals (made four weeks and a fortnight ago) of a code of practice governing job-candidates and recruiters, includes a large number of requests that the agreement should cover

Some readers go so far as to say that these are not needed in any formal sense at all. But I cannot agree. At a time when it is becoming considerably more expensive, at least, to get rid of people who turn out to be unsuitable, it would be unfair to expect employers to rely entirely on their own senses and the candidates' descriptions of

their qualifications and experience. If the importance attached to external opinions is increasing as I suspect, it seems that the candidates' advantage that these should be given formally. There is surely less chance of being unjustly disparaged in a written document than in the informal alternative of a telephone conversation.

Even so, the number of complaints about the alleged abuse of references has convinced me that their conduct should be dealt with in the proposed code of practice.

The aim here must clearly be two-fold. First to protect candidates from vindictiveness. Second to prevent the recruiter's judgment from being influenced by a person's unwillingness to leave the current employer consulted.

References to concerns for ward any further points which the candidate is no longer working are none of the code's business, and if the person wants to have opinions sought from his or her current employer, all well and good. Nor do I think—and to judge from readers' comments, this point will be more controversial—the prospective employer can fairly be deprived of references from the current one before finally confirming the appointment.

So I suggest that a further clause he added to the recruiters' part of the proposed two-way agreement, as follows:

D—A prospective employer is not entitled to ask any candidate for permission to seek references from his or her current employer. Nor will these be sought either formally or informally unless:

i. the candidate has volunteered explicit permission; ii. the candidate has been formally offered the job in question subject only to the receipt of a satisfactory written reference on relevant topics from the current employer, and if the offer is then withdrawn, the recruiter has a duty to deliver the document to the candidate for use as he or she sees fit.

## Consultations

Whether readers will put forward any further points which the agreement could usefully cover, I can only wait and see. But the response has already been enough to justify my trying to start consultations with a view to getting the code properly formulated and accepted by some appropriate official body, and so brought into some effective existence. When this column appears I shall be in the Netherlands, but as soon as I return I'll try to open negotiations.

But oh... I forgot to mention what transpired in my own case of the abuse of references.

The man wrote, against my expressed wish, to the company I was so anxious to leave, and then gave me the job. He did not tell me he had written but one night after I had done enough to feel secure, I asked him about it and he confessed. The reason, he said, was that one of my predecessors who had proved a problem had described glowing achievements in his two previous jobs, which the new employer had accepted without checking. It was only later that he happened to discover that they were largely fictitious. He didn't want it to happen again.

What he didn't know was that, in my case, the company he wrote to was one of those where the chief existed on a cloud beyond the approach of most mortal beings. Regardless of the reassurance of their titles, virtually all the other head-office executives ranked—and suffered—equally below. So the clandestine request for the reference was addressed to the company secretary, who was a close colleague of mine.

I wrote the reference myself. THE SECOND question this week is also raised frequently by Jobs Column readers. It is thought—usually expressed by people in their 40s facing redundancy or the possibility of being laid off—that they are going the other way, until he had chosen his basic strategy.

He didn't want to find a similar job with another company, so his choice was among: (A) staying put; (B) retiring to pursue his hobbies; (C) start or buy his own business; (D) sell his expertise independently as a consultant; or (E) become a freelance writer.

The prime criteria of choice were that he and his wife should be able to stay in their established home, and be offered a reasonable financial prospect. These were met by all five basic choices, although (B) was a close call financially.

Mr. Bloggs then submitted the five basic strategies to a test of desirability, by listing the qualities he wanted from his work and giving to each item a weighting according to its importance to him. The list finished as:

- (a) Job satisfaction: pleasure in working, feeling of usefulness, sense of status—weighting 10.
- (b) No commuting—10.
- (c) Leisure for other interests—9.
- (d) Freedom to adjust work hours—8.
- (e) Scope for personal development and freedom to change direction—7.
- (f) Scope to apply existing knowledge and experience—6.

(g) Opportunity for travel—5.

(h) Time available for family—5.

(i) Opportunity to meet and interesting people—4.

(j) Security of income against inflation and personal incapacity—3.

The good Joe then took five basic strategies and gave each a mark from one to five according to how well he thought it might satisfy each of the relevant weighting factors.

Freelance writing came top; consultancy second; retirement third; own business fourth; and staying put last. After a final assessment of terms of what might go wrong and his subsequent ability to change strategy, Mr. Bloggs opted for a combination of freelance writing and consulting.

There, then, is a system weighing up a change to a different career. Naturally, before adopting the system, cautious readers might like to know what happened to Mr. Bloggs afterwards, and that is not known. But since Bill Pugh, when I first met him, was a recruitment expert with a good knowledge of the freelance market, I think I can guess.

should have a thorough knowledge of the market and a good understanding of the requirements of the various types of employment. The good Joe then took five basic strategies and gave each a mark from one to five according to how well he thought it might satisfy each of the relevant weighting factors.

Freelance writing came top; consultancy second; retirement third; own business fourth; and staying put last. After a final assessment of terms of what might go wrong and his subsequent ability to change strategy, Mr. Bloggs opted for a combination of freelance writing and consulting.

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## FINANCIAL MANAGER DESIGNATE

Saudi Arabia c £22,500 tax free  
+ FREE HOUSING  
+ CAR + BONUS

Distributing industrial equipment our major US company client turns over \$20 million through two Saudi subsidiaries. Expansion to a turnover of \$100 million is forecast within two years.

Responsible for the entire finance and accounting function and development of the business to cater for the massive growth, the Finance Manager will report to the Managing Director. A large proportion of the time will be spent in high level negotiations with local bankers, business associates and government representatives.

Promotion prospects are excellent within the US company.

Aged 29-40, applicants (married or single) must be qualified accountants and must be of the highest quality. They may be in the profession or industry and should telephone or write to David Hogg ACA quoting reference 1/1507.

EMA Management Personnel Ltd.  
Burne House, 88/89 High Holborn  
London WC1V 4LR  
01-242 7773

## MANAGEMENT ACCOUNTANT

Age 24-27

Attractive South Coast Location c. £6000

Our client, a rapidly expanding, profitable and export orientated public engineering company with turnover approaching £20 million, is poised for further development and diversification in the UK and abroad through acquisition and internal growth.

Financial control and management information are considered essential factors in the growth of the company and an experienced accountant is required to head up a management accounting team reporting to the Finance Manager. Responsible for the analysis and interpretation of management information, the accountant will play a key role in the development of advanced computerised systems, special project work, and the financial management of the company.

Applicants (male or female), should be qualified accountants in the profession or ideally with some post qualification industrial experience and should telephone or write to Graham Webster ACA, MBA quoting reference 1/1508.

EMA Management Personnel Ltd.  
Burne House, 88/89 High Holborn  
London WC1V 4LR  
01-242 7773

## TAXATION SPECIALIST

London NW1 c£6500+car

Our client, a major international engineering group exporting over half its production, is expanding its young and progressive taxation department.

The successful applicant will be engaged in a wide variety of tax work involving negotiating, research and forward planning.

If you are aged 25-35 and, having established your career in taxation, wish to broaden your experience, please telephone or write to Stephen Blancy B. Comm., ACA quoting reference T/1514.

EMA Management Personnel Ltd.  
Burne House, 88/89 High Holborn  
London WC1V 4LR  
01-242 7773

## MANAGEMENT ACCOUNTANT

Saudi Arabia From £15,000 tax free  
+ £10,000 bonus + free housing  
Age 25-30

Distributing industrial equipment our major US company client turns over \$20 million through two Saudi subsidiaries. Expansion to a turnover of \$100 million is forecast within two years.

Reporting to the Finance Manager, the Accountant will take responsibility for management information, developing the currently sound systems to cater for the enormous growth. Supervising a small staff which will expand rapidly the Accountant will be involved in a variety of projects.

Promotion prospects are excellent within the US company.

Single applicants should ideally be recently qualified accountants, with major professional firm or industrial experience and should telephone or write to David Hogg ACA quoting reference 1/1508.

EMA Management Personnel Ltd.  
Burne House, 88/89 High Holborn  
London WC1V 4LR  
01-242 7773

Royal Borough of Kingston upon Thames

## Chief Executive

£12,078-£12,852

Required to succeed the present holder who will be retiring in September, the Chief Executive will lead a newly appointed top management team of four Directors who will be primarily responsible for corporate planning, general management and the allocation of resources over a full range of services, including education and social services.

The Personnel and Management Services Officer, the Corporate Planning Officer and the Press and Public Relations Officer also work

directly to the Chief Executive.

Candidates, male or female, should have good managerial experience and be able to show proved skill in leadership.

Further details and application forms are obtainable from: The Chief Executive, Guildhall, Kingston upon Thames, Surrey, KT1 1EL. Tel: 01-546 2121 Ext. 10. Closing date: 23rd May, 1977.

## FINANCIAL DIRECTOR DESIGNATE

The Silentnight Group of bed, upholstery and furniture manufacturers requires a Financial Director Designate to assist with the Group's rapid expansion both overseas and in the UK. Salary is negotiable between £10,000 and £18,000 plus company car, BUPA and generous fringe benefits.

Given a performance which attains standards mutually agreed, appointment to the Group's main board, Silentnight Holdings Limited, will follow within 12 months.

The successful applicant is likely to have had experience with a group of not less than 12 companies or factories and to have been responsible for compiling, checking and occasionally preparing internal audits of subsidiary companies' accounts as well as other financial information for the main board. Ideally, applicants will be able to provide documentation indicating they have worked in a disciplined organisation used to a routine reporting procedure. They will be between 34-45, enjoy overseas travel and will not object to several nights away from home each month in the UK.

The person appointed will be expected to reside within 12 miles of the Group headquarters within 3 months.

Applications, in strictest confidence, to:  
The Chairman,  
Silentnight Holdings Ltd.,  
Silentnight House,  
Salford,  
Cheshire, B88 5UE.

## ALGEMENE BANK NEDERLAND N.V.

has a vacancy for an experienced

## CHIEF FOREIGN EXCHANGE DEALER

for their Overseas Operations in the Middle East

Generous remuneration and leave terms.

Applications in writing are invited from individuals with at least 4 years experience in a similar capacity.

Curriculum Vitae should be accompanied by a Passport photograph and forwarded to:

P.O. BOX 503, LONDON, EC2P 2HH.

P.T.E.C.

Required a young, newly qualified Accountant, to be responsible for an Accounts Department. The main responsibilities are to prepare budgets and forecasts, to provide monthly and annual Management Accounts, to help improve profitability of the company. Applicant must have an interest in computer application, as the accounting and forecasting will eventually be by this method.

PRINTING TRADES EXECUTIVE CONSULTANTS,  
289, Sutton Road, Harrow, Middlesex.  
Tel. 01-863 4411

## Group Financial Controller

Midlands c. £8000 + car

For a public company in the service sector with a current annual turnover of £30m. and poised for further expansion.

To ensure that continued growth is accompanied by strong control, the post of Group Financial Controller has been created. The person appointed will be responsible to the Group Finance Director for controlling the accounting function both here and in the overseas subsidiaries, improving budgeting and reporting, and generally introducing a greater degree of sophistication in accounting standards and procedures.

Suitable candidates will be chartered accountants, preferably with a degree, will be in their 30's and have had relevant experience in a group accounting function.

Replies, quoting reference 1813/L, should be addressed to M. J. H. Coney,  
Peat, Marwick, Mitchell & Co.,  
Management Consultants,  
11 Ironmonger Lane,  
London, EC2V 8AX.

Relates will be needed and forwarded to our client, who has undertaken to treat them in confidence. Please send any copy to which they may not be sent.

## SENIOR BANKER MIDDLE EAST

A medium sized Euro-bank is looking for a Senior Banker to become responsible for the development of the organisation's activities in the Arab world.

The successful applicant will, in close co-operation with the bank's top management, define and implement short and long term strategies for an expansion in the Middle East.

The holder of this newly created position will be located in London or, alternatively, as representative in one of the Middle Eastern countries.

Candidates must have a proven success record of 5 to 10 years in dealing with the Arab world in a senior capacity.

Salary and other benefits are negotiable. Please submit detailed cv, which will be treated in strict confidence, to Box A5915, Financial Times, 10, Cannon Street, EC4P 4BY.

## ALUMINIUM EXTRUSION SALES

£15,000 p

Almetex seeks to recruit Sales Executives to take responsibility for territories in the Southern Region where experience in the aluminium industry would be an advantage but is not essential.

If you are ambitious and consider yourself a professional in the art of selling, then you may have the opportunity to join the small but highly motivated team of a young and expanding Company.

The successful applicant would operate from home and would have the benefit of individual back-up and their "inside man" based at the works in St Helens.

Salary is negotiable and a car generally in the 2 litre range will be provided.

Applications in writing please to:



K. L. Jones,  
Sales Director,  
Almetex Limited,  
Parr Industrial Estate,  
St Helens, Merseyside  
WA9 1QW.  
Tel. St. Helens (0744) 54321.

## FINANCIAL ECONOMIST (MONTREAL)

Research and analysis of monetary and economic data for the purpose of forecasting debt and equity markets. The ability to communicate this research in an intelligent and interesting way is an essential requirement.

The ideal candidate will have had several years' experience working with monetary, financial and economic data. He or she will have a keen interest in problems of inflation, monetary policy, currencies and gold fluctuations, global economic interdependence, etc. It requires someone whose interests are beyond the conventional forms of monetary and economic analysis. This entrepreneurially-oriented person will be seeking an outlet for his/her creative talents in an environment where above-average compensation is a direct function of contribution.

Stacey, Boeckst & Associates, Editors of the Bank Credit Analyst and Consulting Economists. Is a small group whose primary work is forecasting financial markets in North America and abroad. Reply in confidence to: 1245 Sherbrooke St. West, Suite 1280, Montreal, Canada, H3G 1H2.

## BANK CREDIT ANALYST

Stockbrokers with international operations in Far East, Australia and New Zealand. Apply giving the following details to:  
Box A5917,  
10 Cannon St.



## COMMERCIAL BANKING

The London Branch of the Harris Bank of Chicago is seeking an experienced commercial banker to assist in the accomplishment of its marketing/lending objectives in the United Kingdom and Ireland.

After an initial nine months period in Chicago for product training and credit orientation, the successful candidate will join a small team responsible for marketing a broad range of banking services to industrial, commercial and financial institutions.

Applicants should have a thorough knowledge of the U.K. corporate market and a sensitive understanding of its commercial banking requirements. Specialised lending skills and/or experience in international corporate finance would be an advantage.

Ideally, applicants will be aged 28-32 and will possess an MBA from a U.K. or U.S. business school. However, such personal qualities as an analytical mind as well as the energy and the perseverance to succeed in a challenging and stimulating environment are equally important.

The position carries a competitive salary and will include the usual banking fringe benefits.

Please apply in writing, enclosing a detailed resume to:-

C. P. Bateman,  
Personnel Manager,  
Harris Trust and Savings Bank,  
48-54 Moorgate,  
London EC2P 2DH.

## ACCOUNTANTS INTERNATIONAL BANKING

We are a major International Bank which has been established in the City of London for many years and we seek to engage two qualified accountants of managerial status to fill vacancies in our London Branch.

The positions require experienced personnel with both managerial and communicative skills and an ability to interface with all levels of the Bank's management. One position requires a knowledge of Financial and Tax Accounting including preparation of Corporate Tax returns, Accounting Research, and the use and development of Computer based accounting systems. The other position requires a knowledge of Management Accounting techniques, Planning and Budgetary Control and associated reporting, Project Costing and Control, Profitability Analysis. In addition some experience in the use of Computer Systems Applications in this field would be useful.

Applicants should be Chartered Accountants or hold an equivalent qualification and experience in the Banking field would be advantageous. An excellent salary will be offered plus Fringe Benefits usually associated with a First Class City Banking Institution.

Letters of application may be submitted with complete confidence and should enclose a detailed curriculum vitae with, if possible, a passport photograph.

Please write to:-

Mr. P. C. Taber,  
Personnel Administration,  
Bankers Trust Company,  
9 Queen Victoria Street,  
London EC4P 4DB.

## MANAGING DIRECTOR DESIGNATE

£15,000 per annum

British based subsidiary of American Co. which designs, manufactures and sells men's and women's leisurewear based around a co-ordinated line of denim products requires a managing director.

A thorough knowledge of the British market and experience in manufacturing are most important, as well as a demonstrated level of success. These will be the most important criteria for the successful candidate.

Please write Box A5914.

Financial Times, 10 Cannon Street, EC4P 4BY  
giving full details

## INSTITUTIONAL SALESMAN OR SELLING ANALYST

A REWARDING PERCH WITH THE LONDON BRANCH  
OF AN EXPANDING U.S. BROKING HOUSE

The London Branch of an American broking house wants to add more British selling experience to its flourishing U.K. operation.

For an established Institutional Salesman or an Analyst due for more responsibility, this could be an opportunity to earn a substantial salary.

If you are appointed, you will be playing a key role in developing and serving clients among major British and European institutions. You would be supported by a specialist analyst team. It goes without saying that you will have the personal confidence, intelligence and integrity that the position demands. Plus an inside knowledge of the professional investment scene that stems from having worked with an established British stockbroking firm or another U.S. broking house.

Apart from a generous base salary, you will have bonuses related both to personal performance and that of the House itself. As you will be working with a carefully selected team producing an enviable profit record, this could be a rewarding appointment in every sense. Applications are invited from Men or Women. Please contact:-

J. R. V. Counts,  
Careerplan Ltd.,  
7 Wine Office Court,  
London EC4A 3BY.  
01-593 1888.

**Career  
plan**

## STOCKBROKERS

Leading Stockbrokers with substantial established international operations are looking for more Ambitious and Salesmen with analytical ability for Far East, Australia and North America.

Please apply giving the usual curriculum vitae to  
Box A5917, Financial Times  
10 Cannon Street, EC4P 4BY



## MERCHANT BANKING Baring Brothers & Co., Limited CORPORATE FINANCE

Barings are seeking one or two executives with ability and potential to join the bank's corporate finance team which is established in London and in affiliated companies overseas.

The successful applicants will probably be graduates, aged between 24 and 28, with a professional qualification in accountancy or law, or with a business school degree. Experience in corporate finance work will be an advantage. After a period with Barings in London, the new executives may be offered the opportunity to work in one of the bank's affiliates overseas.

Applications, enclosing a curriculum vitae, should be sent in confidence to:

Merrick Kidd,  
Baring Brothers & Co. Limited,  
38 Leadenhall Street,  
LONDON EC3A 3DT.

## Group Chief Accountant

c.£7500p.a.+car

South London

Our clients are a profitable and rapidly expanding major distributive group operating throughout Southern England and form part of a large public quoted group of companies. They now wish to appoint a Group Chief Accountant to be directly responsible to the Board for the management of a substantial accounting division.

The successful candidate will be a qualified accountant, probably ACA, aged about 35-40 with a good deal of industrial or commercial experience in a similar position and ideally a professional background with a large practice. In addition to a broad accounting expertise, he or she will possess a good knowledge of computer based systems and be able to demonstrate the degree of drive and initiative required for this appointment.

Remuneration is negotiable and other benefits, including a car, are well catered for. Excellent prospects exist for the right person to progress further with this expanding group.

Please write with concise details of age, experience, qualifications and present salary to Peter Sandall ACA.



**Mann Judd  
Consultants**  
2 Torrington Place  
London WC1E 7JP

## GRENFELL AND COLEGRAVE

SENIOR  
INVESTMENT ANALYST

INSTITUTIONAL EQUITY  
SALESMAN/WOMAN

We are expanding our Research Department's coverage and the Institutional selling team's strength and will be recruiting:-

1. A senior analyst with an established reputation in a major U.K. market area. We would be particularly interested in specialists covering Property, Building/Construction and Building Materials. A fluent writing style and established contacts with Institutional clients are essential.
2. An Equity salesman or woman, under 35, with extensive experience of selling top class U.K. equities. A sector bias or speciality would be advantageous whilst a good working relationship with Institutions built up over a number of years is a prime requirement.

The above appointments could well appeal to market oriented individuals or teams who meet the criteria, whilst remuneration through a combination of salary and incentive scheme participation would be substantial for the right people.

Replies, which will be treated in strict confidence, giving full details should be addressed to The Administrative Partner, Grenfell and Colegrave, 62 London Wall, London, EC2R 7JL.

## Market Research Executive

Middlesex - Circa £5000

A young Market Research professional, competent to take responsibility for part of the total function, is required by one of the world's largest ethical pharmaceutical groups. Due to the nature of the department's activities, which span a wide range of different market research techniques, it will be necessary to undertake both analysis of statistical data, and open ended qualitative research. Applicants should have graduated in Business Studies or a relevant discipline, with good knowledge of statistical

methods, and have had two to three years experience in the function, preferably in a technical rather than consumer orientated industry. Location is in modern offices with easy access to M3, M4 and by train to Waterloo (20 mins). Flexible working hours, flexible facilities, and assistance with relocation expenses where appropriate. To apply, telephone or write for an application form to: Mrs. S. A. Primard, Sandoz Products Limited, 93 The Centre, Feltham, Middlesex. Tel: 01-890 1560.



**SANDOZ**

## Head of Private Clients Department

Our clients, a medium-sized firm of London Stockbrokers, seek an experienced person (Member or non-Member) to head their growing private client department. The successful applicant should have some years' experience of advising private clients, Bank branches, Trustee etc., and the ability to manage a team. Salary negotiable, good career prospects. Please write in strictest confidence with details of experience etc., giving a note of any firms to whom the letter should not be sent, to: Neville Jones, Messrs. Armitage and Norton, Hazlitt House, 28, Southampton Buildings, Chancery Lane, London WC2.

## SHIP REPAIRERS AND SHIPBUILDERS INDEPENDENT ASSOCIATION

A new Association is being formed to represent ship repairing and ship building companies in the United Kingdom which will remain independent of the nationalised industries. The Association will provide a full range of services normally given by a trade association and employer's organisation, in particular legislation, industrial relations, commercial and other matters. The Association will be based in London.

## APPLICATIONS FOR APPOINTMENT OF DIRECTOR ARE INVITED

The post offers a salary of £13,000 per annum with pension but is subject to negotiation. Applications should reach R. D. Brown at 21 Grosvenor Place, London SW1X 7JE by 13th May in envelope marked "S.S.I.A."

Systems Accountant  
CITY £4,600  
A major international company with highly advanced computerised systems needs qualified S.A. with large company experience.

We also have various positions in WEST MIDDLESEX.  
Salaries between £4,500 and £6,000.  
Please telephone R. J. Ratcliffe,  
Adpower Accountancy Division,  
71 New Bond Street, London W.1. Tel: 01-493 6456.

**adpower**  
Accountants

Financial Accountant  
NORTH LONDON £5,000 mtd.  
Fully qualified candidate to supply detailed information to senior management.

مركز الاستثمار

## Eurobond Investment Analyst

Our Client is Saudi International Bank, an expanding City-based Merchant Bank whose shareholders include the Saudi Arabian Monetary Agency and several of the world's leading banking names.

The formation of a new Investment Advisory Division has created the need for an Analyst to evaluate Eurobond securities and to make recommendations on specific issues to the Senior Portfolio Manager.

Candidates must have a thorough knowledge of the principal Bond markets together with the ability to evaluate prospectuses and to conduct detailed company and country analyses. They must also be able to communicate effectively both orally and in writing.

This exceptionally attractive opportunity will appeal to candidates with flair and initiative who require additional challenge and potential for career advancement. A competitive salary is envisaged which will reflect the experience and talents of the successful applicant.

Contact A. J. Tucker M.A., A.I.B., in absolute confidence  
on 01-405 3499



**Lloyd Executive**

Brownlow House, 50-51 High Holborn, London WC1V 6ER Tel: 01-405 3499

## Financial Planning Manager

c. £8,500

The Electricity Council is the central co-ordinating body for the electricity supply industry in England and Wales. The Financial Planning Branch is responsible for providing management information relating to the financial position of the electricity supply industry and assisting in the formulation of associated Council policies.

The job, open to both men and women, involves all aspects of financial planning work, but in particular capital programmes, CCA and depreciation policy, investment appraisal and financial aspects of corporate planning.

Applicants should possess an accountancy qualification and/or an appropriate University degree together with experience relevant to the post. An important feature of the work is the need to adapt to new problems and applicants should have the ability to supervise staff.

The salary range is £7,450 to £9,780 p.a. inc. of London allowance plus supplementary payment (as applicable).

Write in confidence giving age, career to date, and present salary quoting (FT/38) by 9th May to:-

Duncan Ross, Recruitment and Development Officer,  
The Electricity Council, 30 Millbank, London SW1P 4RD.

## ELECTRICITY COUNCIL

## Financial Director London

for a British public group with a turnover approaching £50m. whose divisions operate with a high degree of autonomy. Reporting to the Chairman, the responsibilities include the development of corporate financial strategy and the deployment and control of financial resources both within the UK and abroad.

Candidates, preferably aged between 35 and 45, must be chartered accountants or graduates with an accounting qualification and have appropriate experience at top level in a divisionalised industrial group, including acquisitions, mergers and international operations.

Salary is negotiable about £17,500 plus car, pension, etc.

Please write - in confidence - to J. M. Ward ref. B.41316.

This appointment is open to men and women.

**MSL** Management Consultants

Management Selection Limited  
17 Stratton Street London W1X 6DB

## TROUBLE SHOOTING ACCOUNTANT

City to £6,000

A substantial and growing finance group. City based but with overseas interests, seeks a recently qualified ACA to strengthen its financial team.

The job essentially involves the conduct of ad hoc studies, particularly related to developing and improving systems, many of which are computer based, liaison between the accounts and technical staff and management, and could also include special assignments both in the UK and with European associates.

The successful candidate will be an enthusiastic problem solver of high intelligence, good at communicating with all levels of management, and not afraid of hard detailed work and using own initiative. Salary negotiable from £5,500 plus appropriate fringe benefits; effort will be duly rewarded.

Applicants should write in complete confidence with full details of previous experience to J. H. Hills, Accountancy Division, Management Consultants, 40-43 Chancery Lane, London W.C.2, giving reference C1320.

**A.I.M.**

## STOCKBROKING-IN OXFORD

Stockbrokers, Heseltine, Moss & Co. have a vacancy in their Oxford Office for a member with considerable Private Client, investment experience. Please write to K. Pawson, Heseltine, Moss & Co., 4 King Edward Street, Oxford, giving fullest details of experience.



## Shell now seek four young accountants of exceptional calibre for top positions

In the new energy world that affects all our lives, decisions are being made daily which involve large sums of money. Decisions which call for global rather than national attitudes. Decisions which demand exceptional qualities from exceptional people. We at Shell are, of course, immersed in this new world and we need highly talented staff to cope with problems of this magnitude.

We are seeking young staff (probably under 27) who have records that have set them apart from most people. If you are

such a person you will have achieved a top financial qualification (either A.C.A. or A.C.C.A.), probably after obtaining a first or good second at university. If you are now wondering how to obtain greater mental satisfaction and material rewards, please get in touch with us. Initially we have four posts to fill, two of which are abroad; and fluent French is necessary for one of these. We will pay someone of 25 around £8,000 per annum to start with and would expect to advance him or her through a series of positions each entailing progressively

greater responsibility. Opportunities for personal development and stimulating employment are guaranteed, although progress, as you would expect, will depend on performance.

Please write enclosing your resume to:  
Shell International Petroleum Company Limited, Recruitment Division, (FT) PNEL/22, Shell Centre, London SE1 7NA.



## CONTROLLER

International design firm with offices in Hong Kong, Athens, Geneva, London, New York and Los Angeles requires a first class financial planner and controller to be responsible for budgeting forecasts, cash flow and financial planning of the groups multinational operation. His work will include consolidation of the subsidiaries monthly financial reports and supervision of annual auditing conducted by an international auditing firm. Annual visits to each subsidiary are envisaged. The successful applicant will probably have a degree in business administration or a chartered accountancy qualification as well as at least five years experience of international management. The controller would be based in the London office. Salary in the range of U.S. \$25,000-U.S.\$30,000 per annum plus opportunity to qualify for profit sharing. Applications stating briefly qualifications and career to date plus photograph should be sent to A5920 Financial Times, 10 Cannon Street, EC4P 4BY.

## Accountancy Editor

c£7,000 Neg.

Our client is a leading publisher in the taxation field currently expanding their activities to cover other commercial subjects.

Based in Croydon this is a real opportunity for a qualified accountant to initiate and develop accountancy, auditing and similar publications.

You will also become responsible for contributing to the success of a fortnightly digest directed primarily at company secretaries, supplying advice, articles and news items.

The ability to assess expertly and edit material by other authors is essential. You may also be required to research and compile information on specified subjects and to update existing books.

All round professional accountancy experience is necessary, preferably including company secretarial work. Ideally you will be able to combine imagination and enthusiasm with a meticulous technical writing ability and a publishing background.

Age is no barrier but an accountancy qualification is essential. A degree would be advantageous.

There is a contributory pension scheme, and other benefits.

Please telephone Stuart Greenman (01) 235 7030 Ext 224 or write to him at PER, 4-5 Grosvenor Place, London, SW1.

**PER** PROFESSIONAL and EXECUTIVE RECRUITMENT

This vacancy is open to male or female candidates.

## A PROJECT DIRECTOR

at a salary of around £12,000 p.a.

is required to manage a development company dealing in housing systems in the Middle East. The post will be based in London, but will involve considerable travel overseas.

Candidates should be able to demonstrate extensive experience (a minimum of five years) at a senior level in a major contracting company, where they would have been responsible for entire construction projects, with particular emphasis on specifying design and engineering requirements, evaluating proposals from various contractors, and eventually negotiating, controlling and programming projects awarded.

The successful candidate would be expected to report regularly to the Managing Director on the progress of contracts, to control construction costs, and to determine and control quality standards and time schedules.

We would expect the successful candidate to be between 33/45 years of age, and preferably to be a graduate and/or to have qualified in an appropriate institute such as IOB, IOCS, ICE.

Applicants should send their detailed curriculum vitae in the strictest confidence to A. F. Magauran at:

49 Park Lane,  
London W.1.

YOU

COULD BECOME

## MANAGER OF FINANCIAL SYSTEMS

in one of the largest Multi-National Retailing Companies for its Belgian Operations (sales 25 Billions BF in Belgium)

The company offers an unusual opportunity for a professional accountant to use his know-how in developing modern accounting systems. Potential manager of the merchandise accounting department.

This is a chance to join an expanding management team in a dynamic industry. Excellent salary for a qualified person.

### REQUIREMENTS:

- Mature individual with several years experience in merchandise accounting
- Capable of managing large accounting systems projects
- English, French. Ability to express ideas in writing.

Send curriculum vitae to Box F.536,  
Financial Times, 10, Cannon Street EC4P 4BY.

## Financial Control Manager

c£6,500 + car

Western  
Home  
Counties

A highly profitable and wholly autonomous division of a multinational company with a turnover of some twenty five million pounds, is seeking a Qualified Accountant to head the Financial Control Department which currently numbers some twenty people. Reporting to the Director of Finance, and working closely with Senior Project Management, he/she will be responsible for contract pricing, cost reporting and most importantly, the monitoring and forecasting of profitability on major programmes. The division operates in advanced technology with a large Research and Development Group employing, amongst others, some 1,000 professional engineers.

The successful candidate should be able to recognise and develop his/her own programme of activities and have some experience of working in a major contractual industry, as well as experience in the financial and accounting areas.

Since the client would like to interview as soon as possible, applicants are asked to send CVs or career summaries in the first instance. The client's formal application form will be available to short listed candidates. Please apply in strict confidence, quoting ref FT/181, to

Brian Withers

**GRS**

Gerrard Recruitment Service, 10 Argyll Street,  
London W1V 2BQ.

## Financial Director

c£15,000 + car

A specialist public engineering group, based in Southern England, is expanding due to an emphasis on export sales and innovation. This is a new appointment in the group management team.

As a member of the Main Board, he or she is to be responsible for the entire financial function. Applicants must have sufficient presence and expertise to hold their own, not only with fellow directors and the financial executives in subsidiaries, but also in the City, with expert advisors, and overseas.

Applicants should be Chartered Accountants aged 35 to 45 with practical financial management experience in an engineering company at appropriate levels.

Salary is around £15,000 plus excellent fringe benefits including a car. Relocation expenses will be paid within UK.

Please write, in confidence, with brief career details to

R. N. Orr, Personnel Services Division  
Spicer and Pegler & Co  
Management Consultants  
3 Davis Marks  
London EC3A 7HL

## Charles Barker Recruitment Confidential Reply Service

Please send full career details and list separately companies to which we should not forward your reply. Write the reference number on the envelope and post to our London office, 30 Farnham Street, London EC4A 4EL.

## Financial Economist

Merchant Banking

Our client, a leading member of the Accepting Houses Committee and the Issuing Houses Association, requires a Financial Economist for its London-based Research Department.

Applicants must have a good Economics degree and at least 3 years relevant practical experience. Ideally but not essentially in the financial sector.

The successful candidate will probably be aged between 28 and 33 - it being unlikely that anyone younger will have the necessary experience. Promotion prospects are excellent. Salary negotiable according to experience but not less than £7,000.

Benefits include a non-contributory pension scheme, life assurance scheme, 4 weeks annual holiday, free luncheon facilities and a house mortgage subsidy scheme.

Reference 1412.



## Jonathan Wren Banking Appointments

The personnel consultancy dealing exclusively with the banking profession.

### MONEY MARKET

£ neg.

Our client seeks a person with a comprehensive knowledge of the City, the money markets and all financial instruments currently in use in the money market.

The successful candidate will be required to market the services of the Treasury Department of a major international bank. Some travel will be involved.

Contact: David Green

### INVESTMENT ANALYST

To £7,000

An expanding consortium bank wishes to recruit an investment analyst with 3/5 years' experience in bonds and fixed interest work. He/she will be based in the Investment Advisory Division, engaged principally in the evaluation of Eurobond issues; candidates should, therefore, have a detailed knowledge of the Bond Market and a good understanding of portfolio management generally.

Contact: Kenneth Anderson

### SENIOR LENDING OFFICER

£ neg.

An international bank seeks a senior lending officer aged about 30, ideally an MBA with fluent French. Applicants should have a minimum of two years' international banking experience involving the generation and placement of Eurocurrency loans in the Middle East.

Contact: Leslie Saville

### BUSINESS DEVELOPMENT

£7,000+

Our client, a prominent international bank, wishes to recruit an additional executive to its U.K. Business Development team. Candidates will probably be aged in their late 20s and should have experience of marketing the loan services of an international bank within the U.K. There is considerable scope for flexibility in making this appointment, and the salary indicated can be considered a minimum.

Contact: Kenneth Anderson

Jonathan Wren & Co Ltd, 170 Bishopsgate, London EC2M 4LX 01 623 1266

## Currency Economist

Leading City Merchant Bank  
Salary package c.£12,500

A leading City Merchant Bank and old-established member of the Accepting Houses Committee is seeking to appoint an economist. The selected candidate will be a senior member of the team which advises departments of the bank and a limited number of customers on economic trends and, in particular, those affecting interest and exchange rates, both of sterling and other major currencies.

Based at the bank's head office in London, the work will require visits overseas to obtain economic information and to take meetings with customers on their own ground.

Candidates should be in their thirties, have a good degree in economics and preferably several years of practical experience in the City. Their style, written and spoken, should combine simplicity with authority.

Please write in strict confidence (naming companies to which we should not forward your application) with full details of age, qualifications and experience, to: Ivan Cann,

**Foster Turner & Benson**  
Recruitment Advertising

Chancery House, Chancery Lane, London WC2A 10U, quoting ref on envelope

## Financial Controller

Up to £10,000

This major British manufacturing company has a thoroughly deserved reputation for vigorous and positive management coupled with the flair and confidence associated with success. The record shows world wide recognition of high product performance and sustained profitable growth.

Reporting to the Financial Director the principal responsibility will be to manage the line accounting function in the British company together with functional responsibility for accounting practices and standards in the overseas subsidiaries.

Applicants in their mid 30's should be qualified, preferably Chartered, who have already proved their ability to manage a total department containing young, able, and in the main qualified accountants. He/she must also have in-depth experience of manufacturing management accounting systems and computerised routines.

REWARDS: Salary negotiable up to £10,000. Excellent conditions of employment and assistance with relocation. Apply in confidence. Ref. 550.

Hales & Hindmarsh Associates Ltd.

Century House, 30/31 Jewry Street,  
Winchester, Hampshire.

Winchester 62253 (3 lines) (STD Code 0962)

## Acquisitions & Investigations

Central London to £7,250 + car

When we advertised this position a year ago we promised "substantial career opportunities". The person then appointed has now been promoted as a senior Divisional Controller! Our clients are a major group with diverse interests in the leisure industry. They have the resources and the ambition to extend and exploit these interests both organically and by acquisitions. Reporting to the Group Financial Controller the person appointed will investigate market areas and identified acquisitions, recommend courses of action, assist in the acquisition process and develop comparable accounting systems in the new activity. Applicants should be Chartered Accountants in their late 20's with experience at the centre of a substantial group or at a senior level with a major professional firm. REF: 706/FT. Apply to R. A. PHILLIPS ACIS, FCII, 244 King Street, St. James's, London, SW1Y 6QL. Tel: 01-930 9982.

**Phillips & Carpenter**  
Selection Consultants

## Livingston Development Corporation

LIVINGSTON, WEST LOTHIAN EH54 7AD

## Chief Executive

Applications are invited for appointment to the post of Chief Executive of the Livingston Development Corporation in the latter part of this year.

Livingston, which is fourteen miles west of Edinburgh was designated in 1962 with a target population of 70,000 and also to be a focal point of a Sub Region of 200-250,000 people. The present population is just over 30,000. There are nearly 100 industries. It is the second largest town by population in the Lothian Region and is in a phase of rapid development.

The post is very demanding in thought, time and energy. It calls for a keen interest in the physical planning of the town, in the attraction of industry, commerce, and job opportunities generally and a readiness to take an active part in the continuing development of a livable and caring community.

Professional Officers are responsible for each aspect of the Corporation's activities. The Chief Executive needs to have had a high level of administrative experience and to be accustomed to leading and co-ordinating the work of Senior Officers or Managers.

Close liaison with Lothian Regional Council and West Lothian District Council is an essential aspect of the job. The salary range of £11,180-£13,460.

Applicants are asked to write, in confidence (please mark envelope 'Chief Executive') sending full details to:-

Desmond Muscatelli, Chairman, Livingston Development Corporation, from whom further information can also be obtained.

**OUTSTANDING**  
Our Financial Services Division is seeking a number of energetic, dynamic and ambitious individuals for recruitment. We are looking for people who are not only highly motivated but also have the experience and commitment to meet the challenges of a rapidly changing environment. The successful candidates will be responsible for the management of a large number of people who are likely to be working in a fast-paced, high-pressure environment. The successful candidates will be responsible for the management of a large number of people who are likely to be working in a fast-paced, high-pressure environment. The successful candidates will be responsible for the management of a large number of people who are likely to be working in a fast-paced, high-pressure environment.

## MANAGING

Position  
are seeking a key position for general management of a large, multi-national company in Belgium. The successful candidate will be responsible for the management of a large number of people who are likely to be working in a fast-paced, high-pressure environment. The successful candidates will be responsible for the management of a large number of people who are likely to be working in a fast-paced, high-pressure environment.

## Company

are a major U.S. company with a long history of success in the field of services to the general public. Our sales are growing rapidly.

## Background Required

A successful candidate will have a degree in engineering or manufacturing, preferably in French and English, and will have previous experience in heavy industrial management.

offer challenging work, an excellent salary, and a pleasant, sunny environment.

you are interested, please send your resume to:

Ref. CDW 457

to Marketing & Sales

Route de la Loi 20

1040 Brussels, Belgium

## EUROPEAN CIRCULAR EXECUTIVE

ORGANISATION: International. TASK: Management of a large, multi-national company in Europe. ABILITIES: Success in European management of a large, multi-national company in Europe. COMPETENCES: Knowledge of European languages, preferably English and French. LOCATION: Based in Europe. APPOINTMENT: remuneration according to experience and qualifications.

Contact in the field of Mr. A. L. B. The Financial Times, 10 Cannon Street, London EC4P 4BY.

## FINANCIAL DIRECTOR (DESIGN)

from £9,000 + car

The P & O Group seeks a Financial Director for its travel and transport division. The successful candidate will be responsible for the management of a large number of people who are likely to be working in a fast-paced, high-pressure environment. The successful candidates will be responsible for the management of a large number of people who are likely to be working in a fast-paced, high-pressure environment.

Applicants, in writing, should send their curriculum vitae to: Mr. Donnell John Courts, Selection Consultants, 7 With 500 stating brief details of experience and qualifications.

## JOC

FINANCIAL  
A long established company with a reputation for excellence in the field of financial services. The successful candidate will be responsible for the management of a large number of people who are likely to be working in a fast-paced, high-pressure environment. The successful candidates will be responsible for the management of a large number of people who are likely to be working in a fast-paced, high-pressure environment.

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## OUTSTANDING OPPORTUNITIES IN INVESTMENT MANAGEMENT

Our Financial Services Division advises a growing number of organisations in the investment and banking field on management recruitment. We would advise. Our job is to identify the requirements of senior management positions with the experience and career development plans of qualified candidates. To do our job we constantly need to meet a large spectrum of senior management from both sides of the industry.

You may be one of the people we need to meet. If so, you are likely to be:  
 \* holding down a job with real responsibility  
 \* not unhappy with your present employment - but certainly not complacent about it  
 \* the kind of person who expects - sooner or later - to rise to the highest levels of the industry.  
 You might for instance, given further details and a comprehensive briefing, be a candidate for one of the positions outlined below:

### INVESTMENT CONTROLLER

Circa £10,000 p.a. Age 30+  
 Our client is an important Life office who seeks a responsible Investment Controller to manage a fund of up to £15 million. He should have particular experience in the City field and understand the requirements of unitised funds. He will be capable of conceiving investment strategy and have exceptional City connections.

### INVESTMENT MANAGER - BRUSSELS

Circa £15,000 p.a. Age 32+  
 A major international financial institution requires an Investment Manager to look after their European portfolio. The portfolio also involves investment of funds outside Europe. He will be familiar with Eurocurrency and Dollar investment and there will be a substantial advantage if he can also speak French. He will liaise closely with the corporation's US headquarters and in consequence an understanding of US investment practice is highly desirable.

BDC's operations are conducted in the strictest confidence. Candidates' names are not put forward until they have been briefed on a job position and given their consent. Please send a summary covering employment history, achievements, current remuneration and age to:

Simon E A Green  
 Director, Financial Services Division  
 BDC (International) Limited  
 26 Dorset Street  
 London W1M 3FU

A management consultancy specialising in recruitment and licensed in Great Britain



## Chief Accountant

Zambia to £16,500 plus substantial benefits

The appointment as Chief Accountant of a major national manufacturing company carries responsibility for controlling the centralised accounting functions. This includes the management of 70 staff through section heads, and the rationalisation of group accounting policies which are mainly computer based.

Benefits are those of a major employer including free accommodation in a temperate zone, car, substantial education assistance and other

allowances, subsidised medical schemes, etc. The salary of £16,500 at current exchange rates takes account of gratuities for the contract.

Candidates must be qualified accountants aged over 30, with experience of computer based systems, and of managing a sizeable department.

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications. Please write to Dr. I. Bowers (ref. 610/B).

Deloitte Haskins & Sells, Management Consultants,  
 P.O. Box 207, 128 Queen Victoria Street, London, EC4P 4JX.

## MANAGING DIRECTOR

### The Position

We are seeking a key executive who will have responsibility for general management in one of our small but growth-oriented capital equipment operations in Belgium. The position reports to our International Vice President in the U.S.A.

### The Company

We are a major U.S. corporation, one of the world's leading suppliers of engineered products - and technical services to energy markets and general industry. Our sales are in excess of US \$2 billion annually.

### Background Required

The successful candidate will be a European with an engineering or manufacturing background and fluency in French and English. It would be advantageous to have previous association with a U.S. company, heavy industrial experience, and current general management responsibilities.

We offer challenging general management opportunities, an excellent local compensation package, and a pleasant, suburban working location.

If you are interested, please send your curriculum vitae, salary history and a recent photograph, in confidence, to:

Ref. CDW 4570  
 c/o Marketing & Communications SA  
 Rue de la Loi 26, Bte 6  
 1040 Brussels, Belgium

## EUROPEAN CIRCULATION EXECUTIVE

ORGANISATION: Financial Times - the International business newspaper.

TASK: Management of circulation development in Europe.

ABILITIES: Success in product marketing in European environment. Understanding of distribution and communication systems. Knowledge of the requirements of European commerce and industry. Competence in two languages in addition to English.

LOCATION: Based London or other European centre.

APPOINTMENT: Around mid-1977 with remuneration and age unlikely to prove obstacles.

Contact in the first instance:—  
 Mr. A. L. Bentley,  
 The Financial Times Ltd.,  
 Bracken House,  
 10 Cannon Street,  
 London EC4P 4BY.

## FINANCE DIRECTOR (DESIGNATE)

from £9,000 + car South Wales

The P & O Group seeks a Finance Director designate for its travel and transport company in South Wales to reorganise and strengthen its entire finance and accounting function, as a short-term stepping stone to appointment as Finance Director and member of the company's Board.

Candidates, aged 30-45 will be qualified accountants. The ability to manage and motivate staff and to operate within a forward management team is a pre-requisite. Evidence of a systematic approach to management and financial controls is required, as is experience of a business handling high volume through-put.

Applications in writing, should be made to A. R. D. MacDonnell John Courts & Partners Ltd., Executive Selection Consultants, 78 Wigmore Street, London W1H 9QQ stating briefly but explicitly background relevance and quoting reference 516/FT.

**JC&P**

### FINANCIAL CONTROLLER for INTERNATIONAL CARGO AIRLINE

Ours is a long-established successful and expanding business, operating from the U.K. to Europe, Africa, the Middle and Far East. Due to internal promotion within the group, we are seeking a Financial Controller of well above average ability to take over responsibility for the complex, fast moving and international financial and accounting requirements of the business, reporting to the Managing Director.

In addition to a salary commensurate with the job responsibilities we are offering the opportunity to become a key executive in an interesting and dynamic environment. Candidates must have formal accounting qualifications, and several years senior experience.

Applications should be addressed to:  
 The Managing Director,  
 Transmeridian Air Cargo Ltd.,  
 Stansted Airport, Essex.

## Senior Accounting Assistant

A challenging supervisory role with a leading international bank

Barque Nationale de Paris Limited is based in London and operates highly competitively in the world of international finance. It is the subsidiary of one of the world's leading banks, established in over 60 countries.

Our continued expansion has resulted in the re-structure of our Management Accounting function and we now have a vacancy for a Senior Accounting Assistant.

Reporting directly to the Head of Management Accounting, you will supervise a small, enthusiastic and professional team producing and interpreting profit and loss accounts, compiling Bank of England returns and contributing to other aspects of management accounting.

You must have had previous accounting experience in a Banking environment, ideally specialising in either Foreign Exchange or Sterling. If you are studying for a Banking or Accounting qualification this would be a distinct advantage, though it is not essential.

This role provides an excellent opportunity for a young man or woman to gain supervisory experience in a professional environment as well as offering first-class prospects of career progression within a successful organisation.

We are offering a salary of between £4,300 and £4,800 p.a. which is negotiable according to experience, plus an attractive range of benefits including the possibility of mortgage allowances, free BUPA and pension scheme.

If your experience matches our need, then write with full details of career to date to: Mrs. Jen Ross, Recruitment Officer.

**Banque Nationale de Paris Limited**

Plantation House, 10-15 Mincing Lane, London EC3P 3ER.

## N. M. Rothschild Asset Management Limited

## Accountant Unit Trusts

We are looking for a qualified and experienced Accountant who will join our expanding unit and investment trust department.

You will be responsible for day to day administration, acting in a supervisory capacity and producing reports and accounts, distribution statements and overall accounts for several management companies. Your experience must include practical knowledge of unit trust matters and of the role of secretary in attendance at board meetings.

There is an attractive salary for the right man or woman and also a comprehensive range of fringe benefits.

Please send a detailed curriculum vitae (including details of present salary) in confidence to:

The Staff Director,  
 N. M. Rothschild & Sons Limited,  
 New Court, St. Swithin's Lane,  
 London EC4P 4DU.



## FINANCIAL ACCOUNTANT RECENTLY QUALIFIED ACCOUNTANT N.W. LONDON TO £6,500

Our client, the subsidiary of a major European manufacturing group, markets and distributes high quality automotive products, power tools, in-car entertainment equipment, domestic appliances, and specialist engineering products throughout the U.K.

The company now seeks to recruit a Financial Accountant as recent and future planned expansion have increased the demands on the finance function. The successful candidate will have wide responsibilities within a department employing the highest accounting standards and will have close contact with senior management of varying disciplines.

Applicants (male/female), will be qualified accountants probably aged in their mid-thirties and both those in practice and in industry/commerce will be considered. They should demonstrate a positive, committed approach and success in this position will result in the opportunity for advancement within the group.

For more detailed information concerning this appointment and a personal history form, please contact Nigel V. Smith, A.C.A. quoting reference 1953.

Douglas Llamias Associates Ltd.,  
 410 Strand, London WC2R 0NS.  
 Telephone: 01-836 9501  
 and 3 Coates Place, Edinburgh EH3 7AA.  
 Telephone: 031-225 7744.



COMMERCE & INDUSTRY

### Barking and Havering Area Health Authority

## AREA TREASURER

Salary Scale: £9,205-£11,364 p.a. (inclusive)

Applications are invited from qualified accountants for the post of Area Treasurer to this two-District Area. Applicants must have considerable financial management experience, preferably in the Health Service or other public organisation.

The successful candidate will head a department of approximately seventy staff, and will be responsible for providing all the financial services required for the Authority's operations, and for monitoring and co-ordinating the work of the District Finance Officers. The annual revenue budget is £30 million. The Area Treasurer is also a member of the Area Team of Officers which is the primary advisory team to the Area Health Authority. Further information may be obtained from Audrey Kepp, Area Administrator, Hornchurch 52577.

For an application form and job description, please contact the Area Personnel Office, Barking and Havering Area Health Authority, 117, Suttons Lane, Hornchurch, Essex. Tel. Hornchurch 52577, Ext. 14. Closing date for receipt of applications is 20th May, 1977.

### FINANCIAL DIRECTOR W.I.

Required/Desired person for special investigations. Well qualified F.C.A. with proven history as expert on book-keeping, accounting, auditing and current principles of remuneration of auditors and accountants. To produce reports and appear as witness if necessary. Fee negotiable. Particulars and telephone numbers for: Box A-5922, Financial Times, 10, Cannon Street, EC4P 4BY.

### EXPORT PACKAGING

Private company based in S.E. London. Turnover £250,000. Packaging knowledge essential. Company part of small group with back-up of consumer manufacturing and insight forwarding sales. Top salary for right person. Write Box A-5923, Financial Times, 10, Cannon Street, EC4P 4BY.

## Branch Banking

Vacancies exist for men and women with The Bank of Credit and Commerce International for all categories of experienced staff, from clerk to manager, for London and provincial centres within the UK.

The Bank provides a wide range of commercial and international banking expertise, with emphasis on personal service. If you are experienced, orientated towards business development, seeking a rewarding career in a stimulating environment, please send details of your career history to Mr. R. J. Evans, Personnel Manager, The Bank of Credit and Commerce International, 100 Leadenhall Street, London EC3A 3AO.

**Bank of Credit and Commerce International**



## Assistant Financial Controller

Brixton Estate is an expanding property development and investment group operating in the United Kingdom and Overseas with Assets of over £80 million.

We require a qualified accountant, probably in his/her late twenties, to join our staff as Assistant Financial Controller at our Head Office in Holborn. Previous experience in commerce or industry is not essential. The duties of the successful applicant will be varied and interesting.

We are offering a salary of not less than £7,000 p.a. together with generous fringe benefits, and there are excellent prospects within the Group.

Please apply in writing to:-  
 J. A. Nichols, F.C.A., Financial Controller,  
 Brixton Estate Limited, 22/24 Ely Place,  
 London EC1N 6TQ.

**Brixton Estate**

## DATA 100 FINANCIAL CONTROLLER

C. £8,000 plus Quality Car

An aggressive manufacturing subsidiary of a US Computer Manufacturing and Marketing Corporation needs a Financial Controller following an internal re-organisation.

In 1976 our revenue increased by 45% over the previous year and similar rates of growth are expected in the future.

As a result, our systems are currently stretched and a youngish (28-36) Chartered Accountant is required to run the Accounts Department and to develop tomorrow's systems. The opportunities include unlimited hard work and the high level of future vacancies which inevitably result from this degree of growth. Normal benefits and removal expenses will be offered in addition to the salary mentioned above.

Please reply with C.V. to: Tony Alcock,  
 DATA 100 Ltd., Maxted Close, Hemel Hempstead, Herts.















# The Marketing Scene

## Innourable Guinness at Y230

By CHARLES SMITH, TOKYO, APRIL 27

**PRO BREWERIES**, the Kirin claims to have created the present Japanese stout drinking boom with a heavy Press and TV campaign which it started early last year. The campaign was part of Kirin's overall strategy of enlarging Japanese beer consumption by creating a taste for more varieties of beer—a reasonably objective given that until last year, almost all the beer drunk in Japan was lager-type brewed by only four major companies. Kirin is expected at least to double its stout sales this year while Sapporo plans to import 100,000 cases of Guinness during the year, or about 66 per cent. more than 1976.

A bottle of Guinness costs about ¥220 in Tokyo (almost 50p) whereas Kirin Stout retails at between ¥140 and ¥145. Add to this the fact that Kirin is spending heavily on TV whereas Sapporo is confining itself to Press advertising on behalf of Guinness, and it may appear that the battle is rather unequal. Guinness's main advantage is a quality image which is being assiduously built up by the Sapporo campaign but which may not be enough to prevent further gains in Kirin's market share.

In order to hold off Kirin's challenge Sapporo is considering

plans for local brewing of Guinness. Talks on this project are currently under way between directors of Sapporo and the managing director of Guinness overseas Mr. Arthur Wood, who is currently visiting Japan. Sapporo says it would like to start local brewing if and when the Japanese market for Guinness reaches 150,000 cases a year—by no means an impossible target given the recent rapid growth of sales. There are, however, certain "technical" problems, including the question of finding adequate space in Sapporo's existing breweries. These are to be discussed by a team of Guinness technicians which is due to visit Japan in the next few weeks.

Mr. Wood, who is in Japan for the first time, said he was glad to note that Sapporo had "put a bomb" under the marketing of Guinness in the past few months. Both Guinness and Sapporo have appointed new managers recently for Guinness sales in Japan. Guinness advertising in Japan is likely to be stepped up further as the year goes on but will stress a British, not an Irish, theme—specifically the Jubilee celebrations.

SALES PROMOTION'S £1bn.—PLUS

## Still in the Dark Ages

By OUR MARKETING EDITOR

SALES PROMOTION is a funny old product currently on special offer in their favourite supermarket. Indeed, only 7 per cent. knew what the normal price was.

Against this appreciation of other forms of sales promotion, such as extra-quantity packs and money-off coupons, seems to be a rising, but this doesn't leave the manufacturers much to cheer about. Jeff Harris of Harris

so little attention being paid to whether it is worth while or necessary or useful... so little research and such poor decision-making at such a low management level.

The Metropole in Brighton next week is the scene of the 13th Incentive Marketing and Sales Promotion Exhibition. It has been drawn more than 170 exhibitors from the promotion, premium and performance award



Left: Peter Mitchell: why a 15-fold difference between the U.S. and here? Right: Jeff Harris: why so little research?

Which is strange, particularly in an era like the present of economic uncertainty, cramped wages, trading down and the consumer's demand for "value-for-money."

There may be numerous reasons or part-reasons for SP's vintage year in '76: among them, greatly increased competition in some product areas, such as cigarettes, an estimated 30 per cent. slump in new product launches plus the parallel need to maintain promotional pressure on existing brands, and the shift from manufacturer advertising spending to retailers' spending, which is more easily associated with sales promotion activity.

Yet consider some of the findings recently unearthed by Harris International Marketing, particularly in the field of price reductions (£260m. last year) where it was discovered that only fractionally more than half

International said in Paris on Monday: "Behind the scenes of price cutting, the consumer is far from happy. During the worst period of inflation in 1975, response by the consumer fell away and has only begun to be restored. But under half think that price cuts are genuine and the number is declining all the time."

"Among the standard trading multiples there are variations. The best can get nearly half its customers actually buying at least one item on promotion but the worst only manages one fifth. And the worst, in the U.K., is the Co-op."

No wonder that Harris laments that there is "so much money being spent on promotion and

## Now Shell goes for fast parts

By Michael Thompson-Noel

THE GREY GIANT may be a marginally unfair description of Shell, on the other hand its traditional retail image is overwhelmingly that of a company that sells petrol and lubricants and dramatically little else. But this week Shell launches its first major U.K. diversification—a range of fast-moving motor replacement parts designed to give Shell a first-year 5 per cent. share of a booming market worth around £110m. at current retail values.

The Shell range, covering 14 product groups from filters and spark plugs to wiper blades and auto bulbs, is called Superparts. Competition in this area—from Unipart, Motocraft, Motostock and so on—is tough but the market is also highly profitable and Shell's research shows that the Superparts range is likely to find a high rate of acceptability among do-it-yourself motorists (the prime target) who perceive the range as being of high quality and good value.

Shell has two big advantages going for it: its retail network (in the first year Superparts will go into 2,000 of Shell's 6,750 petrol stations) and the resonance of the Shell name. But there is more to Superparts than that. First, in an era of deteriorating retail profit margins on fuels and milk (from 5.26p per gallon of petrol 18 months ago to around 3.25p now) Shell is anxious to help bolster dealer profitability. Second, it is itself obviously interested in cash generation and profit, particularly with its huge North Sea oil commitments.



Shell

Shell is already involved in the motoring aftermarket (batteries, maps and atlases, leisure wear, etc.) and by bringing in Superparts hopes to boost its turnover in this sector from £12m. in 1976 to £4m. this year and £6.25m. in 1978. (In the U.S. last year Shell's aftermarket turnover, including tyres, was \$57m.; in Continental Europe, \$107m.)

Shell is also looking at tyres in the U.K., but for now is content to go after the DIY motorist's appetite for fast parts. Shell reckons that the market leaders in this field spend £1m. or more on sales promotion and advertising. It doesn't plan to compete at that level, but for the rest of 1977 will spend around £349,000—£200,000 above the line (mainly on posters and the trade Press), the rest below, including a display unit which accommodates £400 worth of Superparts.

Shell's first-year target for Superparts may sound modest enough at £2m. worth of retail sales and a net profit of £36,840—because of start-up costs, direct marketing expenses in Year One are budgeted at £587,500 out of a gross profit of £824,340.

But the moral of Superparts is that the grey giant in Shell Mex House is beginning to flex its muscles.

## Primary wins RCA's £500,000

PRIMARY CONTACT has just landed its biggest account to date when it won the £500,000 RCA Records account. RCA Records has been using small spaces in various publications and chairmen Richard Jeans says, these have been "exceedingly useful in getting us on to shopping lists."

The account moves follows a restructuring of senior RCA management. Paul Brattwaite, head of RCA marketing, carried out a reappraisal of publicity and a number of major agencies was considered. He reckons to have got a "small and hungry agency but large enough to provide specialist skills."

PC is seven years old and bills over £3m. Other accounts include

Shelair Redonics, Geest, and Spear and Jackson. Recently PC has been using small spaces in various publications and chairmen Richard Jeans says, these have been "exceedingly useful in getting us on to shopping lists."

● RBM Foods is putting £750,000 into publicity for One-Cal low calorie soft drinks. Part of this is a 15-week national TV campaign from now until August.

● French Gold Abbot is the agency. ● Colman Foods is bringing back Tom Caxton beer kits to TV—next month sees the first burst in a £200,000 campaign. The whole home brew market is estimated to be worth £55m.

● Ogilvy Benson and Mather has regained the Observer newspaper account. It was only last July that the business moved from OBM to KMP—it has been with OBM since 1964.

● Volkswagen (GB) has appointed Cogent Elliott for a new project in the U.K. The agency says this involves a new advertising budget of around £250,000 in the next financial year. CE has also won five separate accounts within the Massey-Ferguson worldwide organisation.

● Britvic has appointed Food Brokers to handle distribution to the grocery trade of its range of canned fruit juice.



## Which Director has more drive?

If you're of the opinion that the car you drive reflects the kind of person you are, reflect on this.

Scimitar GTE is the epitome of style and high performance estate. It can carry adults and at least 20 cubic feet of luggage (40 cubic feet with both rear seats folded forward) at up to 120 mph. ietly. Comfortably.

So the person in control needs to be able to handle power. Responsibly. Scimitar regularly returns between 24 28 mpg (although many owners get over 30 mpg). At that rate, its 20 gallon tank gives it a non-stop range of 500 miles. Obviously, instead of using expensive energy, Scimitar uses it. To their own advantage.

As well as being original in concept, Scimitar looks unique. It's long, low and wide. With rustproof handbuilt coachwork mounted on a rugged steel chassis.

As you see, a Scimitar GTE is practical as well as stylish. An individual car built by an independent British Company for individualists. A car of considerable resourcefulness.

Exactly like the person who owns it. If this advertisement has proved you to be such a person, we have a suggestion.

Steal a perfectly legitimate march on your colleagues and get more details now.

After all, you've proved you're a person with certain natural advantages. And when you have an advantage, why give it away?

To: Marketing Services, Reliant Motor Company Ltd, Tamworth, Staffs B77 1HN or phone Tamworth (0827) 69995 any time.

☐ Please send me more details about the Scimitar GTE. ☐ Please arrange a road test. ☐ If under 18 tick here.

Name \_\_\_\_\_  
Address \_\_\_\_\_

Present car \_\_\_\_\_  
**RELIANT**  
**SCIMITAR GTE**  
High performance estate

ST/1

## Buxted's new poultry dishes were quickly plucked from Southern shelves

One-third of all housewives who saw Buxted's campaign on Southern bought one or more of their new products.

When Buxted, brand leaders in 'whole' chicken, moved into prepared poultry foods they test-marketed on Southern Television. With 1 in 10 of the UK population, the South is big enough for a representative test market, yet compact enough to be economical.

Buxted's campaign—for Southern Fried Chicken, Chicken Fingers, Turkey Meat Loaf and Crispy Turkey Fries—ran for four weeks in late 1975, and the results were all they had hoped for.

**SOUTHERN TELEVISION**  
For further information contact Brian Henry, Marketing and Sales Director, Southern Television Limited, Glen House, Stag Place, London SW1E 5AX. Telephone: 01-834 4404.

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# COMPANY NEWS + COMMENT

## Peak £9m. achieved by Telephone Rentals

TURNOVER of Telephone Rentals increased from £26.5m. to £29.3m. during 1976 and pre-tax profit was a record £9.01m., compared with £7.93m.—an improvement was forecast in October last year.

The directors report that both new rental and sales business secured for the first quarter of 1977 were at very high levels and considerably in excess of those during the comparable period in 1976.

Providing no adverse economic situation arises during remainder of the year they anticipate that further steady progress will be made in 1977.

Stated earnings are 11.16p (9.82p) per 25p share and the net dividend total is 5.25p (4.75p) with a final of 3.85p.

Profit is struck after depreciation £3.03m. (£2.87m.), head office relocation expenses £0.2m. (nil), share of profit of associate security and fire controls, while received up from £0.28m. to £0.4m.

Tax takes £1.63m. (£1.09m.) and minorities £47,000 (£29,000), leaving £4.33m. (£3.51m.).

### comment

Telephone Rentals has maintained its unbroken growth pattern with another 13 per cent. pre-tax profit increase. At the trading level U.K. rentals were fairly flat but supported by security and fire controls, while overseas trading produced 17 per cent. of group profits. The relocation expenses of moving head office have been fully provided for and the cash accumulated will be absorbed by working capital requirements as volume picks up. Prospects for 1977, however, are mixed. Overseas subsidiaries are expected to have a quiet year, while U.K. demand (which has been strong in the first quarter) seems likely to be erratic until after the national wage agreement has been settled. Nevertheless, there is no reason to expect any interruption to the historic growth pattern, and the company fully justifies the 8.3 multiple of earnings at 5p rise to 97p.

## Capitol EMI ahead at nine months

NET INCOME of Capitol Industries-EMI Inc. for the third quarter to 31.12.1977 fell from £2.59m. or 73 cents per share, to £1.71m. or 62 cents per share. Sales were ahead from £93.63m. to £116.33m.

This gave the company net income for the first nine months of 1977 of £17.1m. or \$2.24 per share, against \$5.91m. or \$1.78 per share. Total sales for the nine months were \$137.6m., compared with \$116.33m.

There was a net profit of some \$0.3m. in the third quarter from property sales.

Mr. Bhaskar Menon, president and chief executive officer, said that while higher cost of sales depressed profit margins in the third quarter, Capitol's performance during the first nine months is highlighted by an increase of 33 per cent. in both sales and pre-tax income as compared to the same period last year.

The company's fourth quarter activity features emphasis on the exploitation of Capitol's distinctive catalogue as well as strong new releases by Jessi Colter, Dr. Hook, Little River Band, Steve Miller, Henry Reddy, Linda Ronstadt, Sweet, Nancy Wilson and the "live" album of the Beatles' historic 1964-65 Hollywood Bowl concert. "We anticipate sales and profit margins in the current quarter as compared to the third quarter," he adds.

A quarterly cash dividend of 8 cents per share, payable on June 15, 1977, is declared.

### HIGHLIGHTS

Tarmac has produced an 11 per cent. rise in pre-tax profits after writing off £2.5m. on a Brussels property development. On the energy front, Clarke Chapman reports slightly higher profits for 1976 and points out that four-fifths of its business lies outside the troubled area of boiler plants for U.K. power stations. There is news from three discount houses—higher profits from Jessel Toynbee and Smith St. Anby and a bid by Allen Harvey Ross for Simonside Investments. Lex also comments on the marginally higher profits from Spillers, which is still suffering losses on its baking side. Elsewhere, Gieves has announced a rights issue to raise £200,000 for expansion and is giving shareholders a 20 per cent. discount in its menswear shops. Fosco Minsop is 12 per cent. ahead in its pre-tax profits, with the metallurgical division slightly ahead despite a £1m. turnaround into losses. Nurdin and Peacock has improved its profits by two-fifths, which is substantially better than was expected.

## Over £1m. for Home Charm

AFTER AN unchanged £0.43m. at half-time, Home Charm has turned in an advance of £1.27m. to £1.02m. pre-tax for the period January 1, 1976, to January 1, 1977. Sales, excluding VAT, were higher at £17.44m. (£15.82m.). Earnings per 10p share were up from 6.5p to 10p, and the dividend is stepped up from 2.5p to 2.45p with a net final of 2.09p. The directors state that if the rate of A.C.T. is reduced, they will pay a further dividend in November up to the maximum permitted.

1976 1977  
Sales excl. VAT 17,440,000 15,820,000  
U.K. sales 12,100,000 11,400,000  
Persons assoc. 5,340,000 4,420,000  
Profit before tax 1,020,000 880,000  
Tax 120,000 100,000  
Net profit 900,000 780,000  
Minorities 3,000 3,000  
From associates 1,000 1,000  
Retained 340,000 287,000  
+ includes deferred tax £287,137.

### comment

All of Home Charm's increase in profits last year came in the second half when there was a 27 per cent. rise. Physical expansion continued at a rate around 30 per cent., but trading in the summer was hampered by the hot weather. That apart, increasing competition in the DIY market has put pressure on margins, though Home Charm has gone for an increased representation in the own brand market of paints and wallpapers where the margins are higher by perhaps a tenth. For the current year American losses will be reduced thanks to the increased representation in the own brand market of paints and wallpapers where the margins are higher by perhaps a tenth. For the current year American losses will be reduced thanks to the increased representation in the own brand market of paints and wallpapers where the margins are higher by perhaps a tenth. For the current year American losses will be reduced thanks to the increased representation in the own brand market of paints and wallpapers where the margins are higher by perhaps a tenth.

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A quarterly cash dividend of 8 cents per share, payable on June 15, 1977, is declared.

## Jessel, Toynbee & Co. Limited

Bill Brokers and Bankers

### Preliminary Statement

The profit is stated after providing for rebate, taxation and all expenses and after transfer to reserve for contingencies.

	1976/77	1975/76
Net profit	£1,011,170	£804,521
Transfer to general reserve (1976 to inner reserves)	500,000	500,000
Ordinary dividends interim paid	73,863	73,863
final proposed	312,074	276,989
Balance carried forward on profit and loss account	551,544	426,311

The proposed final dividend is 14.7875% making a total net distribution of 18.2875% which is the maximum permitted.

There is to be a 1:4 bonus issue and the directors would have recommended that the above dividend should be paid on the capital increased in this way if they had been allowed to do so.

Inner reserves have been increased by an amount larger than that transferred from profit and loss account to general reserve and they now stand at a new record level.

	5th April, 1977	5th April, 1976
Capital and reserves	5,291,846	4,666,612
Loans and deposits, etc.	272,064,356	287,631,281
	£277,356,202	£272,297,894
Leasehold premises	16,800	50,400
Cash at bank and amounts receivable	219,936	330,280
British Government treasury bills	110,230,730	111,528,336
Commercial and other bills	75,486,241	81,864,791
sterling certificates of deposit	40,344,257	25,817,218
US dollar certificates of deposit	15,172,749	29,071,894
Loans	1,000,000	1,225,000
British Government and corporation securities, local authority bonds and other investments: Quoted	17,085,822	5,559,738
Unquoted	17,799,668	16,850,137
	£277,356,202	£272,297,894

expansion of two of the group's subsidiaries active. The new shares will be provisionally allotted to the holders of the existing Ordinary as at the close of business on April 15. The issue has been underwritten by London and Yorkshire Trust and the stockbrokers to the issue are Fielding, Newson-Smith and Co.

### comment

Despite the unexpectedly sharp recovery in the second half (with profits up 180 per cent.) to bring the total within a tenth of the 1975 peak) Gieves clearly needs to do something about the collapse of profits at Redwood Burn which brought in nearly two-thirds of 1975 profits. Half of the rights issue money will be spent in stocking up books for a party retailing post. But both this and the website machine (still operating below break-even) is speculative and dilutes the quality of group earnings. The other £100,000 raised will go towards expanding the hindling operation, which looks like a winner—expansion in the U.S. together with reduced competition from plastic alternatives should keep the earnings growing. Nurdin is still benefiting from improved car sales, while overseas buyers at 1, Savile Row (now 40 per cent. of total) have brought tailoring profits to a new peak. With debt less than 40 per cent. of shareholders' funds it is hard to see why a small rights issue was necessary against a pre-tax profit of 7.7 per cent. Gieves says it wants to widen the shareholding (with about 40 per cent. of shares in firm hands), hence the generous shareholders' concessions. Having more than doubled this year, the shares at 57p are now likely to consolidate, with an ex-rights yield of 6 per cent.

### comment

A two-fifths jump in full-year pre-tax profits from Nurdin and Peacock topped outside estimates ranging up to £3.9m., and took the shares 13p higher at 138p. These were very little physical growth during the year so all of the 29 per cent. increase in sales came from existing outlets and at least 5 per cent. of that probably reflects volume. So the market can hardly complain about the results against a background of retailers shifting towards the voluntary groups such as Spar. This year Nurdin is keeping up the growth rate in net sales and it is not hard to see profits escalating to over £5m. pre-tax. The p/e is 10 on last year's earnings but the yield of 3.7 per cent. is bound to hold the shares back from a rating on trading prospects. With a cover of over 4 hopes of a rights issue to boost the dividend are high, but there is no pressure on liquidity to justify such a move.

### comment

IN THE 26 weeks ended January 1, 1977 profits of BPM Holdings increased from £400,000 to £326,000, on a turnover of £18.96m. against £19.33m. Earnings per £1 of stock are up from 4.7p to 6.2p.

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Mr. Michael Chapman, chairman, says that the company's computerised advertising and production systems continued successfully, and the planned first stage of the change-over to photocomposition is virtually completed.

Advertising volume was below the corresponding period of last year in The Birmingham Post, the Evening Mail and the Sunday Mercury, and their circulation was slightly lower, but in the Sunday Evening Mail advertising volume increased satisfactorily, and it gained in circulation also, he adds.

### Change in control of Property Growth

By Keith Lewis

A statement is expected to-day by Phoenix Assurance announcing that it is taking over Property Growth Assurance, the privately-owned property bond, pensions and life assurance group.

Property Growth, which is wholly-owned by Phoenix Investments—Itself 90 per cent. owned by the family interests of Mr. Peter Huttley, the former managing director with the remainder held by Friends' Provident and Lazard Brothers—was formed in 1969. It rapidly established itself as a major force in property bonds, and in pension plans and life assurance.

The company later introduced single premium bonds linked to agricultural land, equities and cash and also pension plans and life assurance.

The last accounts showed that Property Growth had around £30m. of funds under management and 45,000 policyholders. The change of ownership is not expected to affect the present policyholders and it is understood that the present management will continue.

Mr. Peter Huttley, who founded the company, became a non-resident when he moved to Paris some 15 months ago.

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### DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding year	Total last year	Total this year
Anchor Chemical	1.87	June 15	1.87	3.89	3.36
BPM	0.69p	May 25	0.44	—	2.50
Clarke Chapman	3.48	July 3	3.03	4.88	4.83
De Vere Hotels	2.42	July 1	2.2	4.2	3.38
E.D.I.T.H.	4.7	June 21	3.58	7.5	6.38
Fosco Minsop	2.41	July 6	2.15	4	2.15
Hoskins & Horton	3.32	June 17	2.9	4.68	4.26
Home Charm	2.09	—	1.9	3.25	2.93
Jessel Toynbee	3.7	June 9	3.28	4.57	4.16
Kinta Kellias	100	May 27	37.5	125	62.5
Kraft Prods.	0.59	—	0.59	1.4	—
Lebong Tea	6.5	June 3	—	—	—
Lyons and Lyons	1.13	—	1.13	2.26	2.06
Newman's Tube	1.37	—	1.37	3.3	3.0
Nurdin and Peacock	1.58	—	1.58	3.92	3.92
Petroleum	2.98	—	2.94	5.31	4.32
Ruo Estates	3.39	—	3.39	3.6	3.6
Sheffield Twist Drill	2.73	June 9	2.28	4.49	4.1
Spillers	1.94	July 1	1.69	2.75	2.5
Tarmac	3.25	—	3.5	5.78	7.98
Telephone Rentals	1.83	—	1.63	3.25	3.25
Thomson T-Line	3.27	June 2	3.53	6.72	6.11
Wight Construction	3.27	—	3.27	6.72	6.11

Dividends shown pence per share net except where otherwise stated. \*Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. ‡Treasury permission on basis of group's overseas trading. §Cross throughout and subject to Malaysian law. ¶Increased to reduce disparity.

## Fosco rises to £15.9m.

### SECOND-HALF profits of Fosco

Minsop went ahead by almost £1m. to £7.9m., taking the total for 1976 to £15.9m., compared with £14.15m. Sales expanded from £13.13m. to £16.63m.

The results are expressed in sterling at exchange rates prevailing at the end of each year.

The directors point out that the 1975 rates have been used the 1976 pre-tax profit would have been reduced by £700,000.

Providing for tax and minorities the year's attributable balance emerges ahead from £7.75m. to £7.67m., representing earnings per 25p share of 18.7p against 14.7p.

The dividend total is raised by the maximum permitted to 3.724p to 4.097p net, with a final of 3.407p.

1976 1977  
External sales 16,630,000 13,130,000  
Fosco 12,100,000 11,400,000  
Persons assoc. 5,340,000 4,420,000  
Profit before tax 1,020,000 880,000  
Tax 120,000 100,000  
Net profit 900,000 780,000  
Minorities 3,000 3,000  
From associates 1,000 1,000  
Retained 340,000 287,000  
+ includes deferred tax £287,137.

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1976 1977  
External sales 16,630,000 13,130,



مركز المال



Morgan Guaranty's IMM officers travel widely in serving client needs. Shown at London's Heathrow airport are John Garber from London, Patricia Harrigan from New York, and Peter Muller from London.

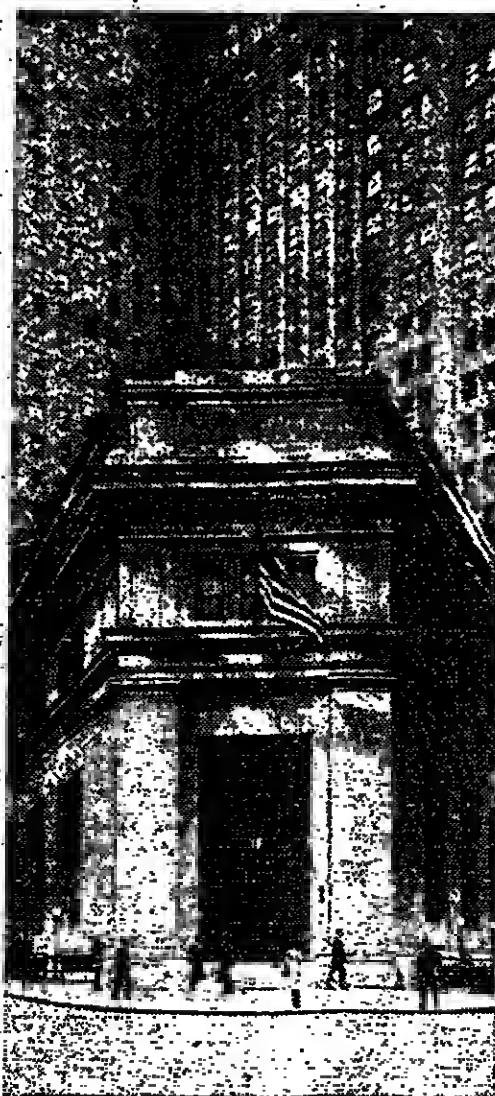
## If you want to improve your international money management, consider Morgan Guaranty

Doing business internationally can create a jigsaw puzzle of financial management problems for your company. To put the proper pieces in place you need to know the answers to questions like these: How effectively are you controlling your working capital in foreign countries? What would be the impact on your company of a given move in foreign exchange rates? What policy changes should you be making because of new international accounting requirements?

Morgan Guaranty has a group of International Money Management specialists who can help you get the answers. When you call on our experts, their first step is to take a fresh and objective look at your international treasury procedures. They analyse your situation in detail and make recommendations based on your specific needs. They don't try to impose a prepackaged system on your company's operations.

Among the IMM services Morgan offers:

□ A comprehensive analysis of your corporation's cash cycle on a country-by-country basis. The result: you get improved control over your funds, and you use inter-



national payments mechanisms more effectively.

□ A detailed evaluation of your exchange exposure and treasury operations. The result: you know what your exposures are, and your options for dealing with them.

Our IMM specialists, based in New York and London, go wherever necessary to analyse a client's money flows. Studies done for companies in such industries as petroleum, automotive, EDP, consumer products, heavy equipment, have taken them to dozens of countries.

If your company does business internationally, and you want more than prepackaged money management systems, talk to the Morgan officer who calls on you or contact an IMM expert through any of the Morgan offices listed below.

MORGAN GUARANTY TRUST COMPANY, 23 Wall Street, New York, N. Y. 10015; IN LONDON: 33 Lombard Street, E. C. 3; 31 Berkeley Square, W.1 • BANKING OFFICES: Paris, Brussels, Antwerp, Amsterdam (Bank Morgan Labouchere), Frankfurt, Düsseldorf, Munich, Zurich, Milan and Rome (to open in 1977), Tokyo, Singapore, Nassau • REPRESENTATIVE OFFICES: Madrid, Beirut, Sydney, Hong Kong, Manila, São Paulo, Caracas • INTERNATIONAL BANKING SUBSIDIARIES: San Francisco, Houston, Miami, Toronto (J. P. Morgan of Canada) • Incorporated with limited liability in the U.S.A.

**Morgan Guaranty - the corporate bank**



**Clarke Chapman advances**  
**£0.6m. to top £8m.**



The long-term objective includes further developments into leisure activities in the U.K. but paralleled by expansion abroad—he believes that the company's future will be more secure with a progressive extension of activities into other markets, particularly European, while continuing to develop existing U.K. activities.

Mr. John E. Head, chairman of H. Brammer and Co., says in his annual statement that the forward plans and the prospects for continuing growth and expansion are soundly based involving improved efficiency, market penetration and expansion of product lines. He anticipates a similar rate of growth in 1977 and says that first-quarter trading results substantiate this progress.

The chairman adds that during 1976 the market place was restricted and highly competitive although the trend towards repair and maintenance of existing

operating profit	474
exceptional debit	51
profit before tax	423
UK taxation	162
afterward, credit	31
reference dividend	3
ordinary	96
retained	128
Loss, ↑ Credit	

The chairman says that the outlook for 1977 is encouraging. Overseas companies are coming to grow while a full contribution from the new money in the U.K. should ensure the anchor increases its market both at home and abroad.

comment

Available	438	418
Dividend	43	43
Ord.	43	43
Preferred	1,090	1,090
Unpaid	2,000	2,000

The trading profit for 1976 decreases substantially from activities other than the U.K. power station supplier business, which is sustained by the continuing expansion of the Central Policy Research Staff on the future of the U.K. power plant industry, say the directors.

There was a significant improvement in the results of these other activities, which cover a

sum in results for the year ending January 31, 1977.

A 20 per cent. increase in volume has led to turnover 15 per cent. higher at £5 million. Profits have shot up 70 per cent. to £135m.

Earnings per 10p share increased from 1.85p to 17.44p. Return on capital employed rose to 2.65p/50p (2.383p).

Commenting on prospects, development for the current year, Mr. Leo Willis, the chairman, said that continuing efforts of investment will make an increasing in-

DR HUGH FRASER, chairman, Victoria Street, Westminster, which will open in October.

During the redevelopment, this site by Amalgamated Caledonian, Army and Navy Stores, has been trading successfully in its new premises. The new store, which was available at a free of charge, was opened.

It was decided to purchase the site and some adjacent premises for £2m. The Amalgamated Caledonian, Army and Navy Stores, has been trading successfully in its new premises. The new store, which was available at a free of charge, was opened.

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All of the ships we hold for charter or others were actively employed throughout the year. Four of our five C-4s are employed by the Navy which is expected to continue to use them through most of 1977, and the fifth is used as a support vessel for our LASH operation. Only one of our other vessels has a contract which expires in 1977 and we anticipate no difficulty in replacing it with an equal or better contract. Our ship, the *W. H. Hays*, the first of the fleet, left in 1976 and its sister ship will be delivered early in 1977. They will be used to support LASH operations until a suitable charter can be signed.

*Certain information relating to group companies and Directors' share dealings, required by The Stock Exchange in London to be made available, may be inspected during the next three weeks during normal business hours (Saturdays and public holidays excepted) at Kleinwort, Benson Limited, 54 Lime Street, London EC3M 7LX, from whom copies of the full Annual Report may be obtained.*

The group's aluminum business is expanding and is making a worthwhile contribution. In addition, sales of the subsidiaries continue to advance. Because of fluctuations in the price of copper between the time of purchase and its eventual sale, the directors have changed the accounting procedure and will charge against sales the replacement price of the copper contained in the powder sold in any

## Jersey Elect.

For 1976, pre-tax revenue Jersey Electricity Company Ltd. was £27,137 to £832,250. The dividend per £1 share rose to 11p against 10p, with a changed gross profit of 7p. After tax £201,802 (£223,576) revenue emerged as £530,713,361). The company's principal business is of supplying electricity to the island of Jersey.

**Turning to future prospects he says:**

the remainder being  
to fixed-interest invest-

the latter part issued market values fell on the rights issues diminishing the way market was increased purely the market.

January storms last year in claim, causing loss whose whose property has insured, costing C\$5.2m. explosion dry summer last year, in the number of insurance claims and the account moved into an underwriting loss against a profit of \$1.4m.

the fund, total premium passed the \$100m. mark at the time and the Society increased rates of home and ordinary and industrial.

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## Boat makers

### proving

the engineering of Henry Boot & Sons, a winter loss of £100,000, in 1976 a dramatic year was carried out the year and the position changing for the better.

the engineering of E. H. Boot, Chairman of the division based in Harington, which makes components for the railway, a reduction in the price, but the factory of a winter loss of £100,000, in 1976 a dramatic year was carried out the year and the position changing for the better.

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## BIDS AND DEALS

## Allen Harvey agrees to buy Simonside

One of the City's leading discount houses, Allen Harvey and Co., has made an agreed £1.5m. cash offer for Simonside Insurance Co. Ltd. The bid, which is in shares, is one of a series of acquisitions of investment trusts recently and as the bulk of Simonside's assets are cash it is equivalent to a rights issue of shares, placing by Allen Harvey.

Terms are 232 AHR shares for every 1,000 Simonside shares equivalent to 88p per AHR at 20p. There is an additional cash offer of 10p per share. The offer is subject to a cash offer by Robert Fleming, advisers to AHR, of 10p per share. The offer is subject to a cash offer by Robert Fleming, advisers to AHR, of 10p per share. The offer is subject to a cash offer by Robert Fleming, advisers to AHR, of 10p per share.

Simonside, which announced in January that it was proposing to go into voluntary liquidation following repayment of its convertible loan stock in December, has attracted a number of prospective purchasers.

Shareholders will now receive at least net asset value for their shares which had stood at 60p ahead of February's announcement. Yesterday the shares rose 8p to 68p.

Simonside has liquidated the bulk of its shareholdings in the remaining stakes being 50,190 in London and Scottish Marine and 2,281 in other shares.

AHR for its part, has been examining its capital structure in the light of its need to redeem £250,000 of 4 per cent. Preference shares by October 31. The Board is considering the acquisition of Simonside, "is the most advantageous way of securing AHR's capital base, while at the same time placing it in a strong position to take advantage of its own and anticipated levels of business."

The Simonside acquisition involving the issue of 423,215 AHR shares, will increase net tangible assets of AHR by 30 per cent. from £2.1m. to £2.8m. before deducting the preference shares repayment of £250,000.

At the same time, this method of raising capital is cheaper than the alternatives of a rights issue or placing, which if for only the £250,000 in question would be too small to make a great deal of sense. The cash underwriting of the offer is equivalent to only an 8 per cent. discount on AHR's market price of 390p yesterday morning.

See Lex

**CAPE INDUSTRIES**  
Agreement has been reached for the purchase by Cape Insurance, a subsidiary of A.P. Moller, of the assets of A.P. Moller, of the assets of A.P. Moller, of the assets of A.P. Moller.

The acquisition, which is effective from April 14, is for a cash consideration based on asset value and is not expected to exceed £130,000.

**LONRHO/SUITS**  
Lonrho has added further to its already large holding in Scottish and Universal Investments, a 24 per cent. stake in which it recently purchased 120,000 shares from former chairman (and present deputy chairman), Sir Hugh Fraser, and his family.

**SAVILLE GORDON**  
J. Saville Gordon Group has acquired the 13rd, buildings, plant, machinery and stock of Church and Bramhall (Darlington) for £245,000 cash. This represents a further offshoot of the group's plans for the expansion of its ferrous scrap interests.

**J. WOODHEAD**  
J. Woodhead and Sons has bought Francis E. Whitworth of Birmingham for £120,000. The purchase of 120,000 ordinary shares, which 60,000 have been placed on behalf of a vendor, and has paid cash of £50,000.

**Cost Accounting proposals**  
envisaged in the Morphet Committee Report. Their introduction would adversely affect the published figures of property companies, he says.

As already announced, results for 1976 showed pre-tax profits of £8,036,000 (1975 £5,301,000). The property revenue produced by the group's property assets of £183.5m. Following this, the net surplus on valuation of £24.3m. was credited to capital reserves. Net assets per share based on the 1976 balance sheet are 113p.

Further financial facilities aggregating £7m. equivalent were secured during the year to augment existing arrangements. Additional, in the U.S. \$m. of long-term funds and \$4m. of back-to-back finance were procured to strengthen the capital structure of the main U.S. subsidiary.

Mr. Mobbs is critical of Current Statement, Page 31

**Slough Estates profit could be lower**

Mr. Nigel Mobbs, chairman of Slough Estates, says in his annual statement that "the disturbing feature in 1977 remains the weak market for industrial and commercial premises world-wide."

The property industry was still beset with many problems, making it difficult to predict the medium-term opportunities for the group. The results for 1977, he says, will depend on leasing office blocks in Brussels and Sheffield, and on continuing demand for industrial premises.

It is possible that profits for the year will be somewhat lower but the dividend should be maintained and be fully covered. "Despite the possibility of such a temporary setback in the growth of the group's profits, new opportunities for investment will be explored and developed for the future."

Mr. Mobbs is critical of Current Statement, Page 31

**SPENCER GEARS**  
Manufacturing engineers to the brewing industries, manufacturers of industrial gears, and general engineers.

The results for the six months to 31 December 1976 are considerably better than for the same period in the previous year. Turnover rose by 52 per cent to £1,586,638, while profit before tax showed an increase of 235 per cent from a disappointing £30,427 in the first half of 1976 to an impressive £101,918. Earnings per share rose by 134 per cent to 1.31p.

The improvement in turnover, with its marked benefit in profit, came mainly from Southern Industries (Croydon) Limited and Southern Industries (Coolen) Limited, whose products are in increasing demand by the major UK brewers. The order book for beer raising, dispensing and cooling equipment is strong, and many brewers have announced further extensive investment plans. The general engineering companies have shown some improvement, which should continue into the second half of the year. The strong current position of the Southern Industries companies will ensure that the profit before tax for the full year should be at least £300,000.

Spencer Gears (Holdings) Limited, Roger Street, London WC1

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## Norwich Union funds top £1bn.

A SUCCESSFUL year for Norwich Union Insurance Group for both life and general business is reported by Mr. Desmond Longe, in chairman's statement and review for 1976.

The world wide funds of the life insurance society went above the £1bn. mark last year and annual premium income exceeded £130m. with total income approaching £900m. Policyholders' funds rose by £135m. as a result of the year's trading and the investment reserve was reduced by £7m. because of changes in market values. As a result the consolidated life funds at the end of the year totalled £1.1bn. compared with £955.0m. at the beginning.

Investment new money in the life funds went predominantly into fixed-interest and property. In common with most life companies, the majority went into gilts. NU put in over £70m. of it at yields over 16 per cent. A further £22m. was invested in property, much of this relating to previous commitments. The NU can for many years been a life company leader in property investment and Mr. Longe reaffirms his confidence in property.

In contrast the company invested only £15m. in equities — one half of this being used to take up rights issues. By the end of the year the life fund portfolio was spread 29 per cent. in equities, 35 per cent. in property and 16 per cent. in gilts.

Despite the adverse results in the U.K. accident account — subsidence claims are expected to cost about £25m. — which recorded a heavy loss in contrast to the usual profitable situation, the Fire Insurance Society recorded an underwriting profit of £4.7m. in the fire and accident business — more than double that of the previous year.

With investment income over £15m. higher at £18.2m. the general side had a record pre-tax profit of £24.2m.

Mr. Longe reports that the joint venture undertaken with Winterthur Swiss Insurance and Chiyoda Insurance Group of Japan in the formation of Norwich Winterthur Holdings will alter the composition of the company's assets. The new company will handle most of NU's overseas business.

**WATSON & PHILIP**  
With effect from May 9, Watson and Philip has acquired the delivered grocery side of the business, previously operated from Turf, Aberdeenshire, under the Centre Symbol by BHM Agriculture (Scotland).

Watson and Philip has acquired the fixed assets including the property from Caterdon for a total consideration of £125,500 cash. In addition the related stock will be transferred on an agreed basis.

**CO-OPERATIVE INSURANCE SOCIETY LIMITED**

**INCREASED BONUSES TO C-I'S POLICYHOLDERS**

At the 109th Annual General Meeting of the Co-operative Insurance Society Limited held in Manchester on 27th April 1977, Mr. H. A. Toogood, Chairman, reported:

"I began my report last year by referring to the encouraging signs of widespread support for firm action to bring inflation under control. The past year, however, has been a more difficult period for this country than the year before. Inflation has fallen in the external value of sterling to a reversal of the downward trend in the rate of inflation, and although there seem to be good prospects that if 'summer-inflation' policies are maintained the rate will again start to fall later this year, the immediate outlook is that inflation will continue at around the present very high level for some months to come."

I am happy to be able to report that the C.I.S. has had a generally successful year in spite of these difficult circumstances. Our premium income has shown an encouraging increase, and we have been able to declare increased bonus rates on our life insurance policies and strengthen the free reserves which support our non-life business. The Society's success is based on the hard work of all the staff and I am glad to take this opportunity to thank them for their strenuous efforts during the past year."

**Insurance Legislation**  
The first levy under the Policyholders' Protection Act of £1.6 million — was made during the year and despite the requirements of the Act the Policyholders' Protection Board has not been prepared to disclose fully the purposes for which this levy was required. There could hardly be an Act of Parliament more inappropriately named than the Policyholders' Protection Act. It gives no protection whatever to policyholders in sound insurance companies such as the C.I.S. but merely appropriates part of their savings from time to time; nor does it give adequate protection to those policyholders to insurance companies which are so badly managed as to fail. It would be better for the Government to take effective steps to prohibit the practices which inevitably lead to such failures. The spate of delegated legislation under the Insurance Acts has continued unabated during the year, with requirements for ever more elaborate returns. Such elaboration is unnecessary to the case of soundly-managed insurance companies with adequate capital or sufficient volume of self-protection, but very considerable expense which has to be borne by policyholders and taxpayers. If a badly-managed insurance company without adequate capital or with a substantial portion of its investments, then the volume of self-protection inevitably fails, and no elaborate returns of the returns can possibly prevent this."

**Control of Investments**  
The main political events affecting insurance during the year were the acceptance by the Labour Party Conference of proposals to nationalise a section of the insurance industry, and the subsequent setting up by the Government of the Wilson Committee.

The principal argument put forward for nationalising the whole or part of the insurance industry is that it would achieve a greater use of investment capital for purposes considered socially desirable. Let me make it clear that we have every sympathy with the view that projects which are genuinely necessary in the interests of the community should not be starved of investment capital. However, if those projects cannot obtain finance through the normal capital-raising machinery they must necessarily involve a greater risk of loss of capital or a poorer income than other investments available. It follows that to take the funds of insurance companies for such projects would penalise those who save through life insurance by comparison with those who save through other means.

Those who save through life insurance come mainly from the lower income groups. The great bulk of the funds of the Society are the savings of our life assurance policyholders — the life savings of millions of individual people — and in investing their funds we act as trustees for these millions of individuals who save and invest the funds solely in their interests. Life

insurance and pension funds are virtually the only means of long term saving used by the less wealthy sections of the community. The wealthy and financially more sophisticated are able to use other methods which are often designed to avoid taxation advantages. Short of adopting a very totalitarian economy it would be impossible to make these sources of investment capital subject to the same control that could be imposed on insurance funds. Hence the kinds of investment considered socially desirable (although often more profitable) would still attract funds from these sources and the penalty, or disguised tax, imposed by the direction of insurance funds to investments for which capital cannot be found in the open market would fall predominantly on the lower income groups.

If the Government of the day wishes to ensure that finance is provided for projects which it considers to be socially desirable, but which cannot attract capital in the open market because of lack of profit prospects and risk of capital losses, then there are already many methods the Government can adopt — direct investment of Government funds, the granting of special tax reliefs (although often more profitable) would still attract funds from these sources and the penalty, or disguised tax, imposed by the direction of insurance funds to investments for which capital cannot be found in the open market would fall predominantly on the lower income groups.

The property investment market was more active than it had been in the previous year and the interest yields obtainable on the latter types of investment fell during the year. Property development activity, however, continued to be inhibited both by the depressed condition of the national economy and uncertainty arising from the complexity of the recent legislation affecting land usage and taxation, which is embodied in the Community Land Act and the Development Land Tax Act.

Because of the doubts about the future that persisted for much of the year we adopted a cautious approach to the investment of the Society's funds, allowing the amounts on short-term deposits to increase until near the end of the year.

As you will see from the balance sheet relating to the C.I.S. alone, a little over half the amount available for investment in the long term fund was applied, in roughly equal amounts, to ordinary shares and property, the remainder being devoted to fixed interest investments. The major part of the acquisition of ordinary shares in the first half of the year was by way of taking up rights issues, but as share prices fell later in the year and the flow of rights issues diminished and eventually ceased, there was an increased amount of purchases in the market. The property investments consisted, in the main, of the provision of finance for developments currently in progress, but there were also some purchases of further interests in properties already owned by the Society.

The balance sheet relating to the Society together with the relevant note to the accounts indicate a large increase, in terms of sterling value, in the overseas currency portfolio in the year. This increase arose almost wholly from the effect of the big fall

during the year in the value of sterling and there was, of course, an increase of corresponding proportions in the sterling value of the investments acquired by means of the loans.

In the general fund, most of the new money was invested in British Government and other fixed-interest securities, but there were some additions to the ordinary share and property portfolios held in this fund.

The investment income in each fund was substantially higher than in 1976. In the long term fund the increase derived mainly from large rises in ordinary share dividends and income from property. The increase in the general fund reflected the larger size of the fixed-interest portfolio in 1976 and the generally higher interest rates.

After allowing for the increase in the size of the Society's ordinary share portfolios, the rise in the ordinary share dividends received during the year was well in excess of the limit of 10 per cent. that normally applies to the increase in the ordinary share dividends. The reason is that there are several sets of circumstances in which there are exceptions to the rule, and many companies have thereby been able to make much larger percentage increases. For other companies a 10 per cent increase has tended to become a norm and most of them that have not made use of the exceptions have felt constrained to apply an increase of that size even though had the limit not been in existence, they might have made a smaller increase, or not increased their dividend at all. In this situation it is doubtful whether it is worth retaining a limit which is distorting the pattern of dividend distributions whilst having probably little effect on the total increase in companies' dividends.

The differences between the Society's balance sheet and the consolidated balance sheet arise largely from the incorporation in the latter of the accounts of The Oldham Estate Company Limited. The principal difference is in the figure representing investments in land and property, which is much larger in the consolidated balance sheet because of the inclusion of the whole of the amount of Oldham's property assets as stated in that company's accounts. In considering the balance sheet it is of course necessary to have regard to the interest in Oldham of that company's other shareholders, the amount of which is shown separately in the balance sheet in the consolidated balance sheet.

**Rochdale Insurance Company**  
During 1976 the Society disposed of its entire interest in Rochdale Insurance Company, which was a wholly-owned subsidiary of the Society, registered in the United States and conducting reinsurance business there. The Society established the company in 1955 as part of the arrangements that were developed after the last war for the exchange of reinsurance between co-operative insurance societies throughout the world. Rochdale served a valuable purpose in this context for a number of years, but with the growth into substantial organisations of the insurance societies that it served, its original objectives were achieved. The proportion of its business arising from co-operative sources had become quite small and we therefore took an opportunity that presented itself last year to sell our shareholding on a satisfactory basis.

**Life Assurance**  
The year 1976 witnessed a notable landmark in our life assurance business with total premium income exceeding £100 million for the first time.

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## MINING NEWS

## Amax predicts firmer nickel market

BY PAUL CHEESBRIGHT

THE PRODUCER price for nickel could rise by a further 10 per cent. in the last quarter of this year. The prediction came yesterday from Mr. Carl Arend, president of the nickel division at the U.S. mining house, Amax. Mr. Arend was commenting on the state of the nickel market in the aftermath of the restoration of the Inco producer price to \$2.41 (£1.40) a pound at the end of last week. Prices established by Inco set the trend for the rest of the industry.

On April 8, Inco reduced its price from \$2.41 to \$2.35, only to restore it to its earlier level 15 days later. Falconbridge and Amax followed the price down. Mr. Arend stated that Amax has proposals for an immediate increase.

Free market prices have been lagging behind the producer price. In London latterly the market price has been \$2.15 a pound.

"We anticipate that the market price will probably firm up to the first price (the Inco price) some time around the next quarter," Mr. Arend said. "There might then be a 10 per cent. increase in the producer price during the fourth quarter."

Mr. Arend's assessment was based on the improvement in the demand for capital goods as the international economy shows signs of revival. Although interest rates remain high, there are indications of a recovery in demand for nickel. The nickel market was fragile to the extent that it was dependent on the consumer goods sector.

Spending on capital goods has also been rising. Copper consumption and demand for the high tonnage of world stocks. But in his annual statement, Mr. George Munroe, the president of the U.S. producer, Phelps Dodge, points out that in 1976 production and consumption were roughly in balance.

"Even if there is no interruption of production when labour strikes at most of the world's copper mines, smelters and refineries expire at mid-year, a subsequent quarterly increase in demand for nickel could reverse the supply/demand balance and lead to needed price improvement," Mr. Munroe states.

Among other non-ferrous metals, lead supply is already in line with demand. Mr. Rod Carnegie told the annual meeting of the London Metal Exchange of Canada that the steel industry in Australia earlier this week "A 30,000 tonnes of copper a year — sales amounted to 98,305 tonnes in 1976 — will enhance earnings. Palabora rose 10p to 640p yesterday."

**SOUTHVAAL AND VAAL REEFS**  
A revised royalty arrangement is to come into effect between Vaal Reefs and Southvaal as a result of the proposed £60m. (£40m.) expansion in the Vaal Reefs capacity.

The effect of the new deal will be that Southvaal will receive a more even flow of royalties. But it will not alter the total profits accruing to each company from operations in the Vaal Reefs' south division over the years 1977 to 1983.

**ROUND-UP**  
The Zambian copper producer, Nchanga Consolidated, turned out 497,210 tonnes of finished copper during the year to March 31. 40,396 tonnes more than in 1975-76. Copper sales were just below 426,000 tonnes, the second highest figure on record.

After a loss of \$Can.186,000 (£103,000) last year Canada's leading gold producer Giant Yellowknife now looks to be on the mend, reports our Toronto correspondent. Thanks to higher gold prices, a profit of \$Can.684,000, or 16 cents per share, is indicated for the first quarter of this year.

From next Sunday, the Zambian Government will take full control of mining rights for prescribed minerals and materials from private companies. The control will be exercised through a newly established Prescribed Minerals and Materials Commission to be headed by the Prime Minister, Mr. Elijah Mudende.

**PALABORA'S 15c PAYMENT**  
The Rio Tinto-Zinc group's 39 per cent.-owned Palabora copper mine in South Africa is declaring annual dividends of 15 cents (10p). This compares with 12.5 cents a year ago when a subsequent quarterly increase brought the total to 70 cents. At yesterday's Johannesburg

the property account shows an underwriting loss of £0.3 million, compared with a profit of £1.2 million in 1975.

In November we introduced new arrangements to encourage the holders of our domestic commercial policies to increase their sums insured. The control that their insurance protection is fully adequate. We are inviting renewal on the basis of increased sums insured, except in the case of policies on which the sum insured has been increased fairly recently. At the same time we are stressing that the responsibility for seeing that the sum insured is adequate rests with the policyholder, and our arrangements make it easy for him to revise the suggested sum insured upwards or downwards when he has made his own assessment of the value of his property. The policy covering buildings, the sum insured is being linked to an index so as to make a reasonable allowance for any rise in building costs between the date on which the policy is taken out or renewed and the date on which a loss occurs, and for a further period of 12 months after that.

**Other Classes of Non-Life Business**  
The premium income from the remaining classes of non-life business increased from £7.3 million to £8.4 million. The underwriting loss was again about £0.3 million, despite a small profit on the liability account.

**Reserves**  
We have increased the general reserve, which at the end of 1975 stood at £24.15 million, by transferring £2.2 million from the long-term business fund and £4.25 million from the general reserve account. The general reserve therefore stands at £30.5 million and the total free reserves have increased from 39 per cent to 41 per cent of general business premium income.

**Board and Management Changes**  
During the year Mr. L. A. Harrison retired from the Board of directors. Mr. Harrison, who joined the Board in 1973, was an outstanding servant of the Co-operative Movement. In addition to being Chief Executive Officer of the Greater Nottingham Society, he has been Chairman of the C.W.S., a director of the Co-operative Bank, a member of the Central Executive Committee of the Co-operative Union and a member of the Central Committee of the International Co-operative Alliance. We have been fortunate to have him as a member of the Board and we thank him for his services to the Society.

In replacement Mr. P. J. Paxton has been appointed a director, and he will, I am sure, contribute a great deal to the C.I.S. We extend him a warm welcome to the Board. We are also fortunate that Mr. Harrison's successor as Chairman of the C.W.S., Mr. W. H. Farrow, is already a member of the Board, and we congratulate him and wish him every success in his new appointment.

Mr. J. E. Dunkerley, Assistant General Manager, will retire in June 1977. He joined the Society in 1939, most of his early career being in Industrial Life Department, of which he became Superintendent in 1955 and Controller in 1962. In 1963 he became Manager (Administration) and three years later was appointed Assistant General Manager. He will thus have completed eleven years in this position where he has rendered great service to the Society. He will take with him our warmest good wishes for a happy retirement. He will be succeeded by Mr. A. H. Liddle, at present Manager (Administration). The report and accounts were adopted.

**Property Insurance**  
The premium income increased from £21.7 million in 1975 to £26.7 million in 1976, a rise of £5.0 million compared with the rise of £5.1 million reported last year.

The year began with the worst storms and floods for many years, resulting in claims from 45,000 policyholders whose property had been damaged. The total cost of these claims was £2.3 million. The exceptionally high number of claims for such insurance, especially in the South of England, The outcome is that

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INTEL FINANCIAL AND COMPANY NEWS

Japan is good for Guinness

By Charles Smith

SAPPORO BREWERIES, the Japanese company which imports and sells Guinness in Japan, is launching a substantial advertising campaign on behalf of Guinness for the first time in ten years.

A large two-thirds of a page advertisement appearing in this morning's edition of Nihon Shinbun (Japan's leading economic daily) proclaims—in English—that Guinness is "the best" and goes on to say: "Guinness is a drink for stout."

The advertisement, entitled "Guinness is the best," is part of the sales war currently being waged between Guinness and its principal Japanese rival, Asahi. This is brewed by the company which dominates the Japanese brewery industry.

Guinness, nor Kirin, are new names in Japan. Kirin put its stout on the market in the early 1930s and the

first Guinness imports to Japan began 13 years ago. However, there was a sudden and sharp increase in Japanese stout consumption with Guinness sales rising an estimated 50 per cent. (to around 6,000 cases) and Kirin claiming a sales increase of between three and four times. Kirin now claims 50 per cent. of the stout market, with 45 per cent. for Guinness and about 5 per cent. for Asahi stout.

Kirin claims to have created the present Japanese stout drinking boom with a heavy press and television advertising campaign which it started early last year. The campaign was part of Kirin's overall strategy of enlarging Japanese beer consumption by creating a taste for more varieties of beer—a reasonable objective given that until last year almost all the beer drunk in Japan was lager-type beer brewed by only four major companies. Kirin is expecting at least to double its stout sales this year.

plans to import 100,000 cases of Guinness during the year, or about 85 per cent. more than 1976.

A bottle of Guinness costs about ¥230 in Tokyo (almost 50p) whereas Kirin stout retails at between ¥140 and ¥145. Add to this the fact that Kirin is spending heavily on television advertising whereas Sapporo is confining its to Press advertising on behalf of Guinness, and it may appear that the battle is rather unequal. Guinness's main advantage is a "quality image" which is being assiduously built up by the Sapporo campaign but which may not be enough to prevent further gains in Kirin's market share.

In order to hold off Kirin's challenge, Sapporo is considering plans for local brewing of Guinness. Talks on this project are currently under way between directors of Sapporo and the managing director of Guinness Overseas, Mr. Arthur Wood, who

is currently visiting Japan. Sapporo says it would like to start local brewing if and when the Japanese market for Guinness reaches 150,000 cases a year, by no means an impossible target given the recent rapid growth of sales. There are however certain "technical" problems including the question of finding adequate space in Sapporo's existing breweries. These are to be discussed by a team of Guinness technicians due to visit Japan in the next few weeks.

Mr. Wood, who is in Japan for the first time, said to-day he was glad to note that Sapporo had "put a bomb" under the marketing of Guinness in the past few months. Both Guinness and Sapporo have appointed new managers recently for Guinness sales in Japan. Guinness advertising in Japan is likely to be stepped up further as the year goes on but will stress a British, not an Irish theme—specifically the jubilee celebrations.

TOKYO, April 27.

Brostrom second half disappoints

By John Walker

STOCKHOLM, April 27. THE ANTICIPATED improvement in the business cycle in the second half of last year did not materialise and the result for 1976 is approximately the same as in the foregoing year, the Brostrom shipping concern reports. The concern made an operating loss amounting to Kr.111.5m. in 1976 compared with a loss of Kr.102.7m. in 1975, after planned depreciation and net interest. Group turnover improved from Kr.1.7bn. in 1975 to Kr.1.9bn. last year, while costs rose from Kr.1.6bn. in 1975 to Kr.1.7bn. in 1976. The Board proposes not to pay a dividend for 1976.

Co-Operative banks grow

THE EXPANSION of deposits in the Swedish Federation of Co-operative banks continued last year, although at a somewhat reduced rate, according to the federation's annual report for 1976, reports John Walker. Deposits increased by Kr.1.4bn., or 13.9 per cent., to a total of Kr.11.8bn. compared with an increase of 18.2 per cent. in 1975. The increase in advances amounted to Kr.1bn., or 12.4 per cent., to a total of Kr.9.6bn.

The movement's profits in 1976 increased faster than the total assets. The net income from interest rose by 25.1 per cent. from Kr.255.5m. to Kr.319.7m., while costs increased faster than income at 25.7 per cent. Operating profits went up by 27 per cent. to Kr.18.5m., to a total of Kr.87.9m. A considerable proportion of the profits amounting to Kr.54.7m. was used to increase the valuation reserves, while Kr.7.7m. was allocated to refunding. Net profits totalled Kr.11.7m.

The Foreningsbankernas Bank (FBB), which is the central commercial and clearing bank of the movement, reported separately.

Scrip issue proposed by Bols

By Michael Van Os

AMSTERDAM, April 27. THE BOARD of Lucas Bols, the Dutch distillery and liquor company, has proposed a scrip issue on the basis of two new shares for every five held; the ordinary shares will participate in the final 1976 dividend.

The company proposes paying an executive dividend for the first time. Ordinary shares of Fls.10, which compares with a payment of Fls.3.50 the year before.

Domestic Bonds Nomura Secs. lowers terms

By Pauline Clark

IN THE WAKE of last week's cut in the Japanese bank rate from 6 per cent. to 5 per cent., Nomura Securities has become the first major bond trader and underwriter in Japan to announce a lowering of terms on new yen-denominated bond issues.

The securities company plans next month to lower coupon rates on 10-year double A rated corporate issues to 8 per cent. from 8.5 per cent. to give a yield of 8.090 per cent. on a main-

tained offering price of 99.50 per cent.

Other security houses are also expected shortly to announce similar reductions in new issue yields from recent 8.583 per cent. levels.

The move was not unexpected but was finally triggered off by the decision of the Japanese Ministry of Finance to lower the coupon rate on 10-year national bonds to 7.4 per cent. from the current 8 per cent. and raise the issue price to 99.50 per cent. from 98.75 per cent. The May issue of national bonds would thus yield 7.487 per cent., compared with a previous 8.22 per cent.

By Japanese standards, the bank rate adjustment is substantial and with the lowering of terms now on long-dated paper, has cut across the financial structure. Commercial rates on time deposits are also to be cut early in May by a range of 0.75 per cent. to 1 per cent.

The immediate impact on the bond market has been to raise secondary market prices sharply. Among corporate double A rated

bonds with coupons of 8.6 per cent. yields were reported yesterday to have fallen to 7.922 per cent. against an issue level of 8.583 per cent.

Similarly, Government bond yields dropped to 7.916 per cent. in the market compared with issue levels of 8.391 per cent., while foreign outstanding issues also made heavy gains. Compared with an issue price of par, the latest Singapore bond, for instance, was being quoted at 103.50 to yield 8.493 per cent.

A measure of uncertainty is attached however to the prospects for the market next month if non-resident investors continue with their current "wait and see" policy on the outlook for the year.

The importance to the Japanese markets of foreign funds was underlined only this week by Ministry of Finance figures showing that foreign portfolio investments in Japanese bonds and debentures in March amounted to \$162m. with foreign buying having totalled some \$320m. compared with sale of \$158m.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

Issue	Price	Issue	Price
Australia 5 1/2% 1980	100 1/2	Canada 5 1/2% 1980	100 1/2
France 5 1/2% 1980	100 1/2	Germany 5 1/2% 1980	100 1/2
Italy 5 1/2% 1980	100 1/2	Japan 5 1/2% 1980	100 1/2
Netherlands 5 1/2% 1980	100 1/2	Sweden 5 1/2% 1980	100 1/2
Switzerland 5 1/2% 1980	100 1/2	UK 5 1/2% 1980	100 1/2
USA 5 1/2% 1980	100 1/2	West Germany 5 1/2% 1980	100 1/2
Belgium 5 1/2% 1980	100 1/2	Denmark 5 1/2% 1980	100 1/2
Spain 5 1/2% 1980	100 1/2	Portugal 5 1/2% 1980	100 1/2
Greece 5 1/2% 1980	100 1/2	Ireland 5 1/2% 1980	100 1/2
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# Solid Base for further Success

Highlights from the Annual Report 1976 of Österreichische Länderbank AG



Dr. Ernst, General Manager and Chairman; Dr. Strad, Manager; Dr. DDr. Kallander, Deputy General Manager; Dr. Tichy, Manager

In 1976 growth rates which, for the most part, were well above those seen a year before, were recorded in all areas of our business. After a sluggish first half, demand picked up vigorously in the latter part of the year and the high rate of credit expansion outpaced the progress in new deposits. Taken as a whole, the results for 1976 were satisfactory.

An increase in capital entailing cash payments of Austrian Schillings 540 million strengthened our capital base in the first transaction of this kind since the end of World War II.

Further Rise in Balance Sheet Total  
The balance sheet total reached A.S. 65.6 billion, an increase of A.S. 9.2 billion or 16.3% (1975: +13.7 billion or 32.2%).

Outside Funds A.S. 61.6 billion

Savings recorded a gain of A.S. 2,084 million or 14.7% (1975: +2,246 million or 18.5%) and were shown at A.S. 16.3 billion. The progress in savings was marked by a reversal in the underlying trend with deposits subject to legal notice of withdrawal growing faster than funds deposited for extended periods. Premium savings deposits advanced by about 45%.

Länderbank Bonds of 1976

An additional A.S. 440 million in new issues brought the aggregate amount of bonds issued by our bank to A.S. 2.2 billion, with one funded bond issue in the total principal amount of A.S. 400 million accounting for the bulk of the volume of new issues.

Total Lending up 24.7%

The commercial credit volume (advances and discounts) expanded by A.S. 6.3 billion or 24.7% (1975: +4.0 billion or 18.3%) to A.S. 32.2 billion after A.S. 25.9 billion in the previous year. New credit commitments totalled A.S. 8.4 billion, but borrowings under the new facilities did not reach their peak until the second half of the year.

Further Expansion in Money and Foreign Currency Transactions

Funds were abundantly available in the domestic money market in the first half of 1976, but grew scarcer in the last quarter of the year. Refinancing facilities offered by the Austrian National Bank were utilised to a greater extent than before.

The issue of new shares by Creditanstalt-Bankverein and by our bank were examples of the largest transactions of this kind to be undertaken for years. There was a lively response from investors, and considering the large number of subscriptions received, the transaction may be described as a special success.

Extraordinary Rise in the Volume of Securities Transactions

As a result of the favourable conditions prevailing on the Vienna Stock Exchange and in the capital market, the volume of securities transactions rose by 77.5% (1975: +10.0%).

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The issue of new shares by Creditanstalt-Bankverein and by our bank were examples of the largest transactions of this kind to be undertaken for years. There was a lively response from investors, and considering the large number of subscriptions received, the transaction may be described as a special success.

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Basic capital, reserves and items similar to reserves totalling A.S. 2,170 million reached 3.5% of outside funds (1975: 2.9%).

Additional items in the category of funds similar to reserves were pension reserves (A.S. 140 million) and global value adjustments (A.S. 500 million). The net profit including the amount of A.S. 1 million carried forward from last year is A.S. 91 million. The Managing Board has again recommended the distribution of 10% on the increased basic capital, amounting to A.S. 90 million.

Consolidated Balance Sheet Total of Länderbank-Group Reached A.S. 82.8 Billion

The credit institutions forming the Länderbank-Group (Österreichische Länderbank AG, Österreichische Creditanstalt AG, Österreichische Bank AG, Austria-Tel Avivbank AG, and WAG Waben- und Ausleihbank GmbH) showed a consolidated balance sheet total of A.S. 82.0 billion at the end of 1976. Outside funds aggregated A.S. 76.9 billion and commercial lending reached A.S. 41.7 billion.

Consolidated Balance Sheet as of December 31, 1976 and Comparison with 1975 (in million Schillings)

	1976	1975	Change
ASSETS			
Cash resources	4,962	5,144	- 182
Bills of exchange	7,761	6,286	+ 1,475
Federal treasury bills	1,266	1,369	- 103
Own securities	7,851	4,693	+ 3,158
Claims against credit institutions	17,079	17,483	- 404
Debtors	24,484	19,580	+ 4,904
Participations	928	811	+ 117
Land, buildings, furniture and equipment	232	218	+ 14
Other assets	932	772	+ 160
	65,555	56,356	+ 9,199

	1976	1975	Change
LIABILITIES			
Creditors	43,070	37,419	+ 5,651
Saving deposits	16,308	14,224	+ 2,084
Own issues	2,187	1,747	+ 440
Basic capital	900	680	+ 220
Reserves for specific purposes	789	688	+ 101
Global value adjustments	500	393	+ 107
Other liabilities	440	286	+ 154
Net profit (including amount carried over)	91	61	+ 30
	65,555	56,356	+ 9,199

Profit and Loss Account (in million Schillings)

	1976	1975	Change
EARNINGS			
Carried over	1.0	1.0	—
Interest and discount	793.4	628.0	+ 165.4
Commissions and fees	447.0	428.8	+ 18.2
Other earnings in excess of other expenditures	91.0	151.0	- 60.0
	1,332.4	1,208.8	+ 123.6

EXPENDITURES

	1976	1975	Change
Expenditure on personnel	532.9	493.6	+ 39.3
Expenditure for social purposes and pensions	157.9	152.2	+ 5.7
Buildings and equipment depreciation	72.9	69.9	+ 3.0
Taxes and levies	147.4	122.4	+ 25.0
Expenditure on materials	238.5	212.7	+ 25.8
Allocations to reserves	92.0	99.0	- 7.0
Net profit	91.0	61.0	+ 30.0
	1,332.4	1,208.8	+ 123.6

Tax Payments

totalled A.S. 147.4 million (1975: 122.4 million), up A.S. 25.0 million from last year. Own Resources A.S. 2,170 Million  
Own resources reached a total of A.S. 2,170 million compared with A.S. 1,338 million 1975. The increase in capital from A.S. 600 million to A.S. 900 million, together with the premium, produced A.S. 540 million in new funds. Of the profit, an allocation of A.S. 92 million was made to reserves.

ÖSTERREICHISCHE LÄNDERBANK

VIENNA, AUSTRIA

# Parting the airwaves

By DAVID FISHLOCK, Science Editor

THE NATURAL resource which Britain is going to run out of first is not fuel or a mineral or some foodstuff, but the electromagnetic spectrum — radio "airwaves" — believes Professor William Gosling of the University of Bath. He foresees an impending "spectrum famine" unless Britain begins to take more seriously the emerging technical opportunities in radio to help itself.

Technical ingenuity, he is convinced, can overcome many of the problems simply by making much more efficient use of the rapidly saturating radio frequencies allocated to Britain. One such system for spectrum conservation, developed by the BBC, was demonstrated to the British Radio and Equipment Manufacturers' Association (BREMA) at the BBC's research laboratories last week. But he fears that a government faced with the problems of writing new rules for regulating the powerful new opportunities for communications between people may prefer to pretend that opportunities do not exist.

Professor Gosling, head of the school of electrical engineering at Bath, is by no means alone in his view that the Government is deliberately trying to dampen enthusiasm for much greater use of private radio systems. Manufacturers of mobile radios such as Pye Telecommunications and Radiomobile (Smiths Industries) are also convinced that the Government has its own reasons for deliberately cramping developments.

They point to its enthusiasm for administrative restrictions, and more sharing of airwaves already allocated by international agreement to Britain. A Midlands bus operator, for example, wants to use mobile radio in his buses, to re-route drivers to places where customers are waiting. But the Home Office restricts its licence to the radio's use in emergencies only.

The Institution of Electrical Engineers, representing the professional experts, talks of a precious resource which in some quarters is already reaching saturation. It advocates a campaign, perhaps leading to legislation analogous to Britain's Clean Air Act, aimed at cleaning up airwaves by reducing "spectrum pollution" or interference between users. It plans a meeting next month when its recommendations on radio requirements, and the technical potential for fulfilling them harmoniously over the next 30 years, will be debated.

Two factors can be held responsible for the impending famine—the high population

density of Britain, and the heavy demands made on airwaves by defence, aviation and broadcasting.

But an unpublished report completed by Mr. Jim Warden, a Home Office official, in 1975, which examined the case for a major new use of radio — for privately-owned mobile communications — proposed that little encouragement should be given to the expansion of privately owned radio transmissions.

Rather, the Warden Report favoured administrative restrictions, more sharing of existing wavebands, more use of skilled radio operators able to make efficient use of airwaves. It then drew the conclusion that, given such restrictions, there would be no fear of spectrum famine—and no need for any technological solutions for at least another decade.

## Citizens' band

Not surprisingly, the report infuriated manufacturers. To take one potential new market, for the privately owned radio transmitter—known in the U.S. as the Citizens' Band Radio Service or CB radio—the manufacturers had estimated a market by 1980 two to three times greater than the estimate of the Warden Report. What is more, they feel their optimism has already been vindicated by the explosive growth of CB radio in the U.S. since 1975, and the way it is now catching on in West Germany and France.

In the U.S., CB radio was launched in 1968, when the Government allocated part of the 27 MHz amateur waveband for personal and business communications over distances up to 25km. Although operators had to apply for a licence, no test was required and, according to Professor Gosling, it takes no more trouble than obtaining a dog licence.

Growth of CB radio was slow for seven years, with the millionth licence granted only in 1975. But by November this year, 3m, CB licences had been granted; and the number is now believed to be well over 7m. Illicit users may even double this figure.

Initially, the users were chiefly long-distance lorry drivers who found it relieved the tedium of driving to be able to chat with fellow road users nearby. The range was too short to keep them in touch with their base, but they could swap useful information about local traffic and weather conditions, and police activities such as speed traps. The police themselves were inclined to welcome it as a contribution to safer things.

driving and a way of preventing many traffic offences.

Basically for the same reasons, private motorists began to adopt CB radio in a big way. Now U.S. car makers are contemplating fitting CB radio as a standard item in models for the 1980s.

There is unquestionably a case, based on U.S. and European experience, for more caution in introducing CB radio into Britain. For one thing, any attempt to import U.S. technology would infuriate the owners of radio-controlled model airplanes, who currently use the 27 MHz waveband in Britain, and who could find chatty motorists causing their aircraft to drop out of the sky. But this would be no more than a symptom of the larger problem of radio congestion and its concomitant dangers — spectrum famine and spectrum pollution.

The congestion is directly related to the density of population in Britain; and indeed a broad swathe across western Europe has a population density approached only in a few localised areas of North America. Britain should not simply seek to import U.S. technology ready-made—and, incidentally, open the way to a flood of U.S. and Japanese equipment—but must tailor-make its own technological solutions.

Professor Gosling, for instance, has quite a few of his own to offer. It is one of the few areas of electronics, he points out, with no large "spin-off" from defence research. This is because defence interests wish to encrypt all their communications, a requirement that can push up the cost of a mobile radio by a factor of 20.

But it also means that the civilian radio market can be influenced by what defence standards are quite modest amounts of research expenditure. At Bath in the last three or four years he has spent upwards of £100,000, mostly in research grants from the Home Office. For this sum, he has been able to introduce British industry to a new mobile radio system, which Pye for example now sells to the police.

Many of the ideas for spectrum conservation and for avoiding spectrum pollution—the scattering of spurious signals to upset other users—turn out to be critically dependent in the way they are tailored to the geography and the type of terrain. The universities of Bath, Birmingham and Bradford have formed the Universities Mobile Radio Research Consortium, which not only exchanges research data but allows them to carry out trials readily in very different geographical settings.

The BBC proposal, which engineers have been demanding to BREMA, is to of drivers throughout Britain a new tailormade radio aid to road safety and time-saving. It proposes to broadcast, on a dedicated channel, up-to-the-minute news about driving conditions for a few miles around the area. The idea is to set up a national network of about 100 low-power transmitters, operating at the same wavelength, but broadcasting intermittently and in such a way that no two transmissions will interfere with one another. The broadcasts—every seven minutes—would be confined to weather, road conditions, traffic density and accident news, highly specific to the vicinity of the driver.

## Prototypes

In his Appleton Lecture to the Institution of Electrical Engineers earlier this year, James Redmond, the BBC's director of engineering, demonstrated two prototype radios made by Radiomobile Crusader, based on developments in the BBC's laboratory. No matter which channel the set is tuned to, the receivers can automatically tune in the regular transmissions and pick up the traffic broadcast every seven minutes. For instance, has quite a few of his own to offer. It is one of the few areas of electronics, he points out, with no large "spin-off" from defence research. This is because defence interests wish to encrypt all their communications, a requirement that can push up the cost of a mobile radio by a factor of 20.

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**HARRIS BANK**

## Consolidated Statement of Condition

ASSETS	March 31, 1977
Cash and Due from Banks	\$ 906,823,358
Time Deposits in Other Banks	581,626,267
Federal Funds Sold and Securities Purchased under Agreement to Resell	428,345,000
Investment Securities:	
U.S. Treasury Securities	622,535,062
State and Municipal Securities	435,272,862
Other Securities	15,846,581
Trading Account Securities	183,448,494
Loans, net of Unearned Discount	1,793,312,752
Less: Reserve for Possible Loan Losses	(24,196,652)
Direct Lease Financing	55,248,208
Customers Acceptance Liability	68,557,595
Bank Premises and Equipment	93,406,948
Other Assets	78,909,002
Total Assets	\$5,239,135,477

LIABILITIES	
Demand Deposits	\$1,297,587,006
Savings Deposits and Certificates	881,667,142
Other Time Deposits	906,084,279
Deposits in Foreign Offices	752,420,097
Total Deposits	\$3,837,758,524
Federal Funds Purchased and Other Short Term Borrowings	902,830,103
Accrued Interest, Taxes and Other Expenses	68,557,595
Mortgage Payable	3,023,634
Other Liabilities	75,375,768
Total Liabilities	\$4,944,295,522

EQUITY CAPITAL	
Capital Stock (\$16 Par Value) Authorized and Outstanding 3,137,815 shares	\$ 50,205,040
Surplus	102,603,660
Surplus Arising from Assumption of Convertible Capital Notes by Parent Company	15,378,200
Undivided Profits	126,







# WALL STREET OVERSEAS MARKETS

## Up 3.92 on early bargain hunting

BY OUR WALL STREET CORRESPONDENT

BARGAIN HUNTING sent prices mildly higher on Wall Street to-day, although many investors continued nervous about inflation and interest rates. By 1 p.m. the Dow Jones Industrial Average recovered 3.92 points from a low of 1,019.44.

Closing prices and market reports were not available for this edition.

Some encouragement may have come from a Government report in the afternoon of a 3.2 per cent productivity rise in the U.S. Private Business Sector in the first quarter.

The record \$2.39bn. March trade deficit, announced to-day by the Government, is not expected to have any particular impact on the Stock Market.

Actively traded Signal

Shares rose \$1 to \$283 on its plans to redeem its outstanding Preferred stock.

Polaroid improved \$1 to \$333, introduced a new instant camera system yesterday.

Westinghouse moved up \$1 to \$201 and General Electric put an \$1 to \$51.

Eastman Kodak was \$1 higher at \$62, but Dp Post eased \$1 to \$127.

Phillips Petroleum advanced \$1 to \$55, it is making a final attempt to cap a North Sea oil well that blew out last Friday.

IBM gained \$2 to \$260 and Texas Instruments were up \$11 at \$77.

Sears Roebuck improved \$1 to \$55, and General Dynamics rose \$1 to \$52.

The American-Soviet Market Value Index shed 0.1 to 170.90.

Mammoth Mart, the most actively traded issues, jumped \$1 to \$81.

BRUSSELS—Most share prices rose to quiet trading.

In foreign stocks, U.K. issues rose and most U.S. shares were higher, but Dutch, German, Canadian and French issues fell.

AMSTERDAM—Narrowly mixed to fair trading.

Banks and Insurance were weak, Transports, Dute and Industrials were narrowly mixed.

Bols Distilleries were up \$1.210 to \$15.910 and Elsevier Publishing \$1.530 to \$15.830.

Boards gained up to \$1.20 to \$1.20.

GERMANY—Higher in active trading.

In Motors, Daimler, VW and Mercedes gained between DM3

and DM4.50, while BMW rose DM9, all on rising demand from Domestic and Foreign investors.

Engineering gained up to DM4.

Dresdner Bank were DM2.90 higher, BASF DM1.30, Siemens DM1.90 and Karstadt DM4.30.

Public Authority Bonds shed up to DM0.45 on a profit-taking, and the Regulating authorities bought DM1.50 nominal of stock.

Swiss Railway Loan was quoted at 0.5 per cent discount against its par pricing. Mark Foreign Loans were still weaker.

OSLO—Industrials, Bookings and Insurance were quiet, while Shipbuilding were slightly easier.

COPENHAGEN—Mixed in fair dealings. Banks, Communications and Insurance were slightly lower, while Commodities, Shipbuilding and Industrials were mixed.

SWITZERLAND—Irregularly higher for actively-traded leading Banks—recovered about half of Tuesday's heavy losses—activity in remaining sectors was rather quiet.

Foreign stock. Dollar stocks were narrowly mixed. Dutch Internationals were generally steady, while Germans were well maintained.

FRANKFURT—A broad front in rather quiet trading. Leading Industrials were generally mixed, while Financials were depressed.

Boards showed moderate gains in better trading.

SPAIN—Further moderate sell-off.

NEW YORK—Mixed trend, although early loss of \$4.70 and \$4.75 cent to \$4.81.

Elsewhere among Miners, Andover rose 10 cents to \$1.35, and Pennsylvania fell 20 cents to \$1.32.

Westcoast shed 5 cents to 38 cents on news of its rights issue.

In Industrials, Philip Morris moved up 10 cents to \$4.75 and Conoco 2 cents to \$4.22, but BHP dipped 6 cents to \$4.28.

NOTES: Overseas prices shown below exclude a premium. British dividends are shown in pence.

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NEW YORK, April 27.

Expectations of an increase in quiet trading. The Kruggerand's dollar in early morning over its gold content depressed the dollar in early morning over its gold content.

trading in the foreign exchange market yesterday, but the figures were even worse than expected.

Further, during the afternoon, the dollar's trade-weighted depreciation since the Washington Agreement of December 1971, widened to 1.03 per cent from 0.97 per cent.

European central banks may have intervened to steady rates as the Swiss franc improved to Sfr.2.320 against the dollar, Sfr.2.320 against the dollar.

German mark rose to DM3.365 from DM3.375.

Swedish krona gained ground quite sharply against the dollar to Sfr.2.457 from Sfr.2.463.

Intervention by the Bank of England prevented sterling from keeping in line with other European units following the dollar's weakness.

The pound's index against the dollar was 1.03, after standing at 1.01 at noon and in early dealings.

Sterling remained between 1.01 and 1.02 to the dollar, with the authorities adding foreign exchange to the reserves in late trading.

The pound fell to \$1.0174-75, a fall of 71 points on the day.

Gold rose \$1 to \$147.148 in London.

Collieries were softer and Industrials were barely steady.

AUSTRALIA—Mixed trend, although early loss of \$4.70 and \$4.75 cent to \$4.81.

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# + FOREIGN EXCHANGES

## Dollar weaker

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# GOLD MARKET

April 27

Gold Bullion (a fine ounce) \$1471.48 (\$1471.48)  
Close \$1471.48 (\$1471.48)  
Open \$1471.48 (\$1471.48)  
High \$1471.48 (\$1471.48)  
Low \$1471.48 (\$1471.48)  
Settlement \$1471.48 (\$1471.48)

Gold Coins (a fine ounce) \$1471.48 (\$1471.48)  
Close \$1471.48 (\$1471.48)  
Open \$1471.48 (\$1471.48)  
High \$1471.48 (\$1471.48)  
Low \$1471.48 (\$1471.48)  
Settlement \$1471.48 (\$1471.48)

Gold Bars (a fine ounce) \$1471.48 (\$1471.48)  
Close \$1471.48 (\$1471.48)  
Open \$1471.48 (\$1471.48)  
High \$1471.48 (\$1471.48)  
Low \$1471.48 (\$1471.48)  
Settlement \$1471.48 (\$1471.48)

Gold Bullion (a fine ounce) \$1471.48 (\$1471.48)  
Close \$1471.48 (\$1471.48)  
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Low \$1471.48 (\$1471.48)  
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Close \$1471.48 (\$1471.48)  
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# OTHER MARKETS

Canada mixed

Canadian Stock Markets were mixed to light trading yesterday morning.

The Metals and Minerals Index rose 2.1 to 110.83, Golds 3.5 to 191.50 and Banks 0.2 to 108.24.

Oil and Gas rose 0.56 to 147.88 and Utilities rose 0.56 to 147.88.

Papers put on 0.20 to 105.50.

Macmillan Bloedel shed \$1 to \$22, as did Inco at \$301, Canadian

deficit, announced to-day by the Government, is not expected to have any particular impact on the Stock Market.

Actively traded Signal

Shares rose



## FINANCIAL TIMES SURVEY

Thursday April 28, 1977

السؤال الثاني

## Foundries

Foundries supply essential components for a wide range of industries but are very vulnerable to the cycle of demand. The Government recognised this during the recent recession and awarded ferrous foundries one of the early industry aid schemes.

YEARS to come there is no doubt that the mid-1970s will have been a water mark for the British foundries. The past two or three years industry has made a massive effort to make up for its long record of low investment. Projects involving expenditure of about £250m. are in progress or about to begin. It has also been a time when a ferrous foundry "Little Neddy" has been examining the problems of the industry, such as low profitability, lack of skilled labour and hazardous working conditions. All this activity is to be generated about the foundry industry had been identified as one of the offenders during the boom of demand in the early 1970s when U.K. manufacturing industry suffered from severe shortages of raw materials and components. There were just enough British castings available and many industries complained about this particular bottleneck.

The truth is that without castings the U.K. would virtually come to a halt. Foundries supply essential components for a wide range of industries whose importance is quite disproportionate to their size. A recent survey of 50 foundries showed them making an average output of about 81,500 people and of only around 9.5 per cent of the steel foundries. Only ten of them were achieving an output of more than 20 per cent. The Government reacted to this by awarding the ferrous foundries one of the early industry aid schemes. Although

Most engines, whether they are for cars, commercial vehicles or industrial use are made of cast iron. The casting process comes close to the manufacture of a finished product in one piece, by one operation, than any other production process. By the simple process of melting metal and pouring it into a mould, there can be produced something with an exact shape, very close to the final shape the user requires. The foundry industry could present plenty of mitigating evidence after it was accused of failing to supply enough of its products during the peak years of demand. The industry is particularly vulnerable to the cycle of demand, a problem that was exacerbated by unrealistic ordering and scheduling by customer industries during the last period of peak output.

## Average

Then, in contrast, in times of famine the industry has witnessed some ferocious price-cutting as foundries attempt to win the few orders available. That would not be such a bad thing if the industry was allowed to make reasonable profits in the good times. But the tendency has been for the small foundry businesses to be squeezed on prices by very large customers. A recent survey of 50 foundries showed them making an average output of about 81,500 people and of only around 9.5 per cent of the steel foundries. Only ten of them were achieving an output of more than 20 per cent. The Government reacted to this by awarding the ferrous foundries one of the early industry aid schemes. Although

ing it, the Chancellor of the Exchequer, Mr. Denis Healey, most by the Health and Safety Act. Three years ago handed the industry an unsolicited testimonial. It is vital to the U.K. economy, he declared, Associations estimated that the because "it is a supplier to many other industries and in-250m. in comply with existing portion to the health and safety legislation engineering industry as a and future pollution control whole."

Of all the industry aid schemes, the one for the ferrous annual £20m. the industry bad foundries has been by far the been spending. The U.K. just as those in the U.K. could suffer more than ferrous

satisfied with the outcome of the scheme. obvious examples.

To some extent the U.K. foundries were lucky because they could point to the experience of the U.S. industry when similar anti-pollution regulations were enforced. Between 300 and 400 foundries closed in the States, most of them small, private establishments. The big one survived, castings. And perhaps they just as those in the U.K. could suffer more than ferrous

for the industry. The "Little Neddy" says that a recent analysis of company accounts showed two important features:—

(1) Current profitability, if continued, and despite the aid scheme, would be inadequate to support the future levels of needed investment and funding of working capital in many cases.

(2) "Real" earnings of many foundries examined were substantially below historic cost earnings (that is, after adjustment for the effects of inflation). Real earnings after interest and tax became negative in many instances.

So, companies should set themselves the objective, says the "Little Neddy," of increasing their percentage after-tax margins on sales, on an historic cost basis, by one-half in iron foundries and by two-thirds in steel foundries. And all foundry companies should make use of current cost accounting and attempt to ensure that they achieve real positive earnings.

Exports

A growth in direct exports of steel castings of 20 per cent, a year should be possible in the period to 1980 with a special focus on U.S. markets.

As for import substitution, the progress report reveals that a recent survey of motor, tractor and diesel manufacturers showed imports of at least 32,000 tonnes a year. At least half this business was formerly handled by U.K. companies and the "Little Neddy" maintains "this lost business should be recovered and the remainder substituted by U.K. supply."

If that objective is to be achieved, though, the foundry industry and its customers must work hard to develop more mutual confidence and order. Whether the foundry items and there is not much or the customer is at fault international trade in castings, the outcome can be the same. The U.K. has been directly exporting about 7 per cent of production by weight.

## Investment builds up

By Kenneth Gooding, Industrial Correspondent

foundries from being cast in a "Cinderella" role, forced to play this unwelcome part because such foundries are often just one part of a large engineering group's business and one which comes well down the list of priorities. It has been established, for example, that the average age of machinery in the non-ferrous foundries is between 14 and 16 years.

It is the ferrous foundry industry that has its own "Little Neddy," set up in 1975 and one of the few which has permitted publication of a progress report in connection with the industrial strategy exercise. Profitability is still proving to be a major area of interest



## In the foundry business these days, mistakes aren't serious, they're fatal.

In the present economic climate, choosing the right fuel is so critical it can mean the difference between opening the gates or closing them forever.

Naturally, it makes sense to have a fuel that is not only cost effective, but dependable. Both now and in the future.

Which explains why nearly 90% of molten iron production in British foundries comes from coke-fired cupolas. Coke is reliable. The cupola is one of the oldest methods with over 200 years experience.

Coke is also a fuel for the future. Coal has an estimated 300 years availability at present levels of consumption. And as a result of extensive research by NSF into coal blends for coke plus technological developments of the cupola itself, results are continuously improving to meet the demands of both large and small foundries. Now and for many years to come.

To ensure that you get the best possible results from coke—the traditional and future fuel—NSF have a Foundry Coke Technical Service, which is

freely available to offer expert advice, answer any questions and advise on the selection of the best melting plant for the future.

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## FOUNDRIES II

## Ambitious Leyland plans En

UNCERTAINTY CAUSED by foundry industry takes such a close interest in what is happening within British Leyland and just what the Corporation's aims and objectives are.

Lord Ryder, chairman of the National Enterprise Board, in drawing up his ten-year plan for the rescue of British Leyland, identified foundries as the main area in which lack of capital was most evident. He called for a £50m. investment at 1975 prices.

Something like 10 per cent. of U.K. capacity in the ferrous sector and 6 per cent. in aluminium is held by the seven companies which embrace British Leyland's foundry operations. The importance of the Corporation to the industry is enhanced by its plans to invest £100m. to modernise and expand facilities in the period up to 1986.

Putting aside for a moment the doubts aroused by the review, Leyland is programming to build a new ferrous foundry at Wellingborough and an aluminium processing plant on a greenfield site close to West Yorkshire Foundries, Leeds. Both foundries would start to come on stream in 1980, with a build-up of output geared to the ten-year British Leyland development plan.

Against such a background, it is understandable that the

Speculation was rife that Lord Ryder might have called for a phasing down of Leyland investment in the ferrous sector given the expansion of capacity expected to take place under the stimulus of the Government's industry aid scheme.

Another theory was that the Corporation was seeking economies on the foundry programme to make way for increased spending on the programme to develop a replacement for the Mini.

## Objectives

Leyland has maintained a low profile and would undoubtedly argue that the reasons for the absence of any public pronouncement about foundry plans were purely practical. By last December the Corporation had progressed from feasibility studies to a "concept paper"—a document setting out the broad objectives, facilities, and costings for development up to 1986. Since then work has been underway on the detailed programming of the new foundries and modernisation and rationalisation of existing facilities.

At the very moment that Leyland was close to a final decision to press ahead with the foundry plans the toolmakers

The two other alternative plans would mean complete withdrawal from the volume car market, at least for vehicles below the successful Princess model. Such a policy would mark the end of Leyland Cars as a major national producer and would involve the closure of much of Longbridge, Castle Bromwich, and Cowley.

Whatever the commercial arguments advanced for such a strategy, the political and social traumas inherent in redundancies on that scale make the last two options fairly academic. Clearly the Government, particularly a Labour Administration with only a tenuous hold over the House of Commons, will be hoping to give its backing to a programme of expansion on the Ryder pattern.

Mr. Varley stressed to the Leyland Board and the NEB even before the review that savings on capital spending must be sought wherever possible. However, the Corporation has let it be known that foundry investment is not an area where economies can be sought.

British Leyland believes that modernisation of its foundry capacity is fundamental to the long term competitiveness of its vehicles. Top quality castings are regarded as important to the efficiency and performance of engine blocks and other major components. A direct presence in the foundry industry is considered necessary to keep the Corporation in the forefront of technology in a sector where considerable progress is being made.

The Corporation defends itself against the criticism that its investment programme will threaten other suppliers by pointing out that it is seeking merely to provide the same proportion of its own requirements in an expanding market. On ferrous castings, for example, Leyland currently buys in around 45 per cent. of its needs and insists that proportion will not change over the next 10 years.

Nor are there plans to diversify into different products. The intention, as now, is to manufacture all engine blocks in-house and buy in the bulk of components such as manifolds and cast iron brake drums.

Arthur S.

## Safety a headache

PRODUCTION OF castings is certainly at a higher cost—every 12 to 15 years. At the other end of the scale a quite modest acoustic enclosure at the shakeout, where castings are separated from the moulds, will probably cost not less than £1,000, and numbers of them will be needed. Noise is generated in several areas, such as shot-blast units for cleaning the castings, vibratory conveyors, chipping hammers, and grinding processes. It is not a sector of industry where minor miracles can be expected merely by drafting legislation and then making factory inspectors responsible for implementing it. The pouring of liquid metal, with its inevitable safety hazard, the use of chemicals, need to be repeated—almost

The control of dust alone in a medium size foundry employing 200 is likely to be of the order of £300,000, and this will need to be repeated—almost

are not fully or properly understood, and percussive methods of dealing with castings, together with the use of sand and other particulate materials combine to make problems for plant and equipment makers that may never be completely solved. The strict enforcement of legislation embodied in the Health and Safety at Work Act would inevitably put many foundries out of work.

The Act incorporates elements of common law and puts it into statute law in the benefit of workers likely to be at risk in safety, health or welfare grounds. A breach of duty, which in the past gave rise to a suit for damages alone, may now leave the person responsible open to a criminal prosecution and high penalties. Equally tough are the obligations placed on makers and suppliers of plant and equipment and of resins, binders and other substances, which must be as safe as is "reasonably practicable" when properly used. Obligations are also placed on users—foundries in this case—to obtain the necessary information about them. This would seem to give a broader or clearer definition to the work of research and development departments and associations.

## Equipment

But perhaps the biggest change of all is the responsibility given to the inspectorate to impose improvement or prohibition orders on equipment or processes which can, in the last resort, be implemented immediately, but generally are deferred to a future date, perhaps a week away. In practice many foundries use the inspectorate in its other guise, as an advisory service so that a particular problem can be thrashed out round the table with management and union representatives before it escalates into something more intractable. And though inspectors have wide-ranging powers, they are equally conscious that solutions should be "reasonably practicable" within the available technology and usually within the financial ability of a company to carry out.

Another provision, which involves workers' representatives on safety committees, is already fairly widely in use, and where they exist are a useful means of underlining to employees that they do work in a more than usually hazardous environment. There should be no difficulty in setting up such committees well before the starting date in some 18 months.

The implications of the new regulations for everyone concerned with foundry operations spell a limited life for smaller, less viable foundries—and some larger ones too. They also have clear implications for manufacturers of plant and equipment and of other supplies to improve their products where necessary to the highest possible standards. They seem bound to give a considerable impetus to development work. No doubt some of the results that will flow from the operation of the Act will begin to establish more discernible trends when the national foundry group set up at Birmingham has had time to amass sufficient evidence on a national basis. For some time to come both the foundry industry and the reformed inspectorate will be on a learning curve, and it may be reassuring that in general a consensus view is likely to prevail. The object is to secure a greater uniformity of implementation.

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## FOUNDRIES III

# Energy producers vie for orders

BRITAIN'S FOUNDRIES are heavy users of energy so it is no wonder that at this stage in their development, when so much capital investment is in train or proposed, that the two main suppliers of energy to the industry should be wooing it ardently. The Electricity Council has had some success in enticing foundries away from the traditional fuel, coke, enough to ensure that National Smokeless Fuels, the National Coal Board subsidiary which supplies foundry coke, keeps on its marketing toes.

The ferrous foundries alone account for about 2 per cent. of the U.K.'s use of primary energy, gulping up the equivalent of 6m. tons of coal a year in one form of energy or another. About 11 tons of coal is required for the making of 1 tonne of castings. Research done in 1974 by the Electricity Council showed that about 9 per cent. of the iron melted in ferrous foundries was melted by electricity. The greatest penetration had been made in the making of special iron castings where 25 per cent. of the energy used was electricity against only 4 per cent. in the grey iron sector. The Council claims that it has made further inroads since then and that its total market share has reached something like 15 per cent.

## Furnaces

What it can be sure about, because the statistics are charted regularly, is that over the past five years the installed load of electric furnaces (or, put another way, the electricity load they might require) has increased by 30 per cent. and of that about half the increase has been installed in the past two years.

All that has taken place at a time when demand for foundry coke had already declined quite dramatically. Time was when NSF and the country's only other foundry coke producer, the Bedwas ovens of British Benzole, supplied over 1m. tonnes a year. This had come down to about 750,000 tonnes

(with the NSF supplying 650,000 of them) last year in what was an admittedly depressed market. There are many reasons for this decline in coke usage. Technology has improved so there is less coke used for each tonne of metal melted. There has been the introduction of hot blast methods at larger plants. Oxygen enrichment at furnaces has helped, as has the more simple factor—that foundries are less wasteful and measure the coke they are using more carefully.

Small foundries have been absorbed by larger ones and economies of scale then take over. And, on top of all this, there has been the steep drop in the number of foundries—a 38 per cent. fall in iron foundries in the 1960s alone. NSF also contributed to the downward trend by improving the quality of the coke so that less needs to be used.

The coke manufacturers and the foundries remain on good terms in spite of regular means about the cost of foundry coke. (Some 80 per cent. of NSF's costs are accounted for by the coke it buys from its parent so there is no way it can absorb coal price increases.)

Although the foundry industry is an established one, technology has continued to develop and will continue to do so. So the reason that the vast majority of foundries still use cupolas, which burn coke for melting metal, has nothing to do with the industry being old-fashioned or resistant to change. It so happens that the cupola is a robust, easily managed piece of tackle which by no stretch of the imagination could be said to incorporate any high technology but where the user is in complete control of the quantities of feedstock and fuel used.

And the capital cost of the traditional equipment is very much less than that for electric furnaces and associated equipment. However, the Electricity Council argues that, once installed, the electric furnace can save the foundry cash by way of lower production costs, increased output and, possibly,

savings on labour costs because there is less fuel handling.

Lower production costs come through the use of cheaper materials, the Electricity Council says. Light scrap, swarf and borings can be used. This is an important consideration because in ferrous foundries energy is only the second-largest cost item, taking 15 to 20 per cent. of total operating costs against 50 to 60 per cent. for the metal used to charge the cupola or furnace.

## Savings

But it is still worthwhile making energy savings and this can cut costs whether coke or electricity is being used at the foundry.

Some of the important areas already identified include the need to cut foundry returns (iron that is constantly recycled within the foundry itself). Of course, attempts have always been made to keep foundry returns to the minimum. Even so, a further reduction in relation to the output of a saleable product will often produce major energy savings. Then there are still opportunities for waste heat recovery in many foundries.

One factor which has certainly worked in favour of electricity's attack on the foundry market has been the tighter anti-pollution controls. Electric furnaces are sometimes used in foundries specifically to overcome pollution problems. However, this only works if the scrap charge is clean. Smoke and odour are omitted when dirty scrap is melted by any method. But with the electric furnace there is a noticeable reduction in grit and an absence of sulphur dioxide and metallurgical fumes.

The NSF argues that the pollution control equipment for use with cupolas is available—and at a lower capital cost than that involved with electric melting. "All we ask is that we be given the opportunity to present our case for the continued use of coke whenever a foundry is thinking of converting to elec-

tricity or building new plant," says Mr. Eric Gaunt, marketing director of NSF.

The company certainly does not want to see its market continue to diminish under the impact of anti-pollution legislation. It must continue to consider this long-term factor even though at present the short term problems loom large. Stocks of coke are near the historic peak and becoming a real burden both in financial and other terms. The end of the recession for the foundries cannot come too quickly for NSF.

The NSF coke plants are at Cwm and Coedele, in South Wales, and Norwood and Durness Hough in County Durham. They are capable of producing up to 800,000 tonnes of coke a year.

Electricity certainly provides the greatest threat to coke at the foundries. There are some cokeless cupolas fired by gas in the foundry industry but they are very few and far between. So far the industry is reluctant to embrace this comparatively unknown quantity.

However, there are already enough electric furnaces in the industry for some kind of judgments to be made by those within it about the general factors in electricity's favour or against it. Electric furnaces are mainly being used in small foundries which produce small batches of castings in special iron. But there has been one major breakthrough into the larger scale foundry. Electric furnaces are being used at Ford Motor's Leamington factory which came on stream in 1975 after Ford made a three to four year study of the alternative fuels. Pollution problems played their part in that decision. But if Ford orders further electric furnaces in the future, we can be sure that other benefits have shown up.

Meanwhile, with the coke producers trying hard to make sure that they are given a fair hearing by their foundry customers, competition among the fuel suppliers runs high. And that cannot be a bad thing for the foundry industry.

Kenneth Gooding

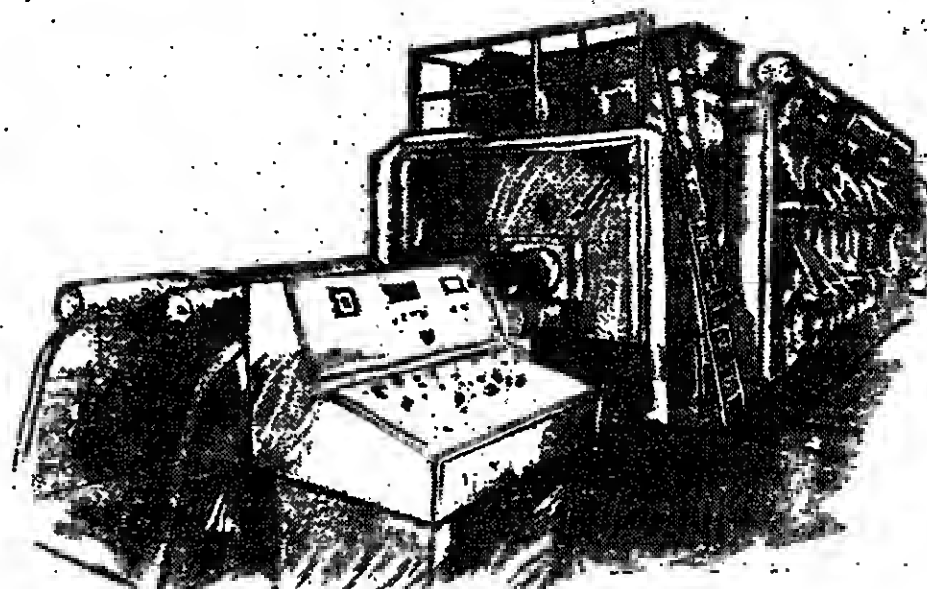
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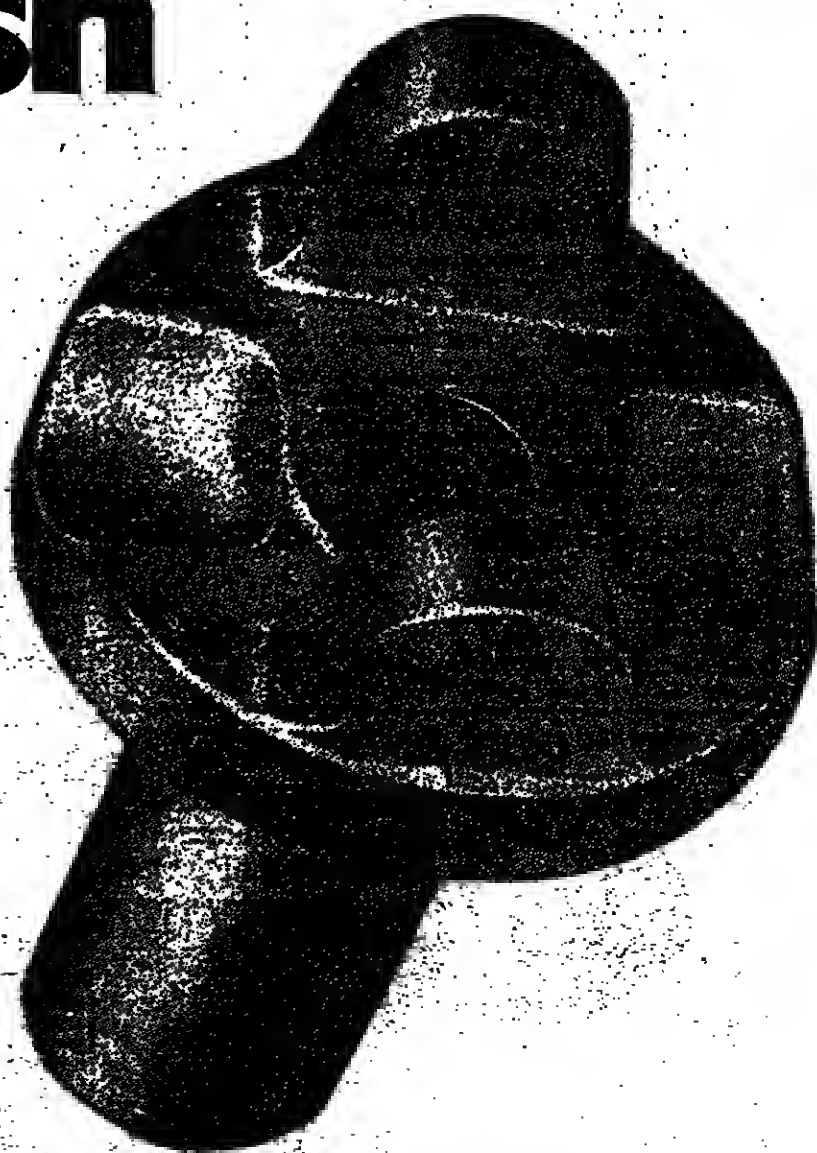
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Peter Cartwright



# Potential for aluminium

THERE HAVE been few periods when the potential and the uncertainties of the markets for aluminium castings have been so contradictorily balanced. To discern which way they will tilt needs more than a modicum of foresight plus some luck. The difficulties appear to be reflected in the modest response to the Government's non-ferrous foundry investment scheme. While the ferrous foundries have been fairly prompt to avail themselves of financial assistance for new plant and equipment, the non-ferrous foundries have been a good deal shyer in coming forward.

At the time of writing only 30 applications have been made. It would be comforting if this was entirely due to the aluminium casters' higher degree of modernisation, and this may be so as a generality. It may also be occasioned by the complexities of drawing up investment programmes, and perhaps a reluctance to place oneself quite so unreservedly in the hands of civil servants for the sake of an extra 12 per cent. net gain, which is what the scheme comes down to, even though this is obviously useful. Most of all, however, it seems due to a more than usual number of imponderables in the situation.

## Potential

Most of the potential—and the uncertainty—is concentrated in the automotive industry, which consumes almost half the aluminium produced by the foundries. On the upside there is the possibility of a major shift from cast iron to aluminium alloy cylinder heads, such as are now generally used in quality and sports-type cars. On the Continent most of the small engines are entirely of aluminium except for cylinder liners. Fiat, Renault and Peugeot, for instance, all use aluminium extensively, and Volkswagen, magnesium, to which it is tied historically. In the U.K. all but a few cylinder blocks are in cast iron, and aluminium cylinder heads are the exception rather than the rule. The Rolls-Royce and Rover 3500 engines (the latter used also in the Range Rover) are among the very few all aluminium examples.

Indeed, in spite of the growing use of light alloys for clutch and gearbox housings, carburettors, pump bodies and other components, only some 15 lbs of aluminium per car is said to be used.

Apart from the Rover engine, and cylinder heads on some other models like Triumph, all low volume production, British Leyland does not use aluminium in any significant quantity. Neither does Ford. Both have huge investments tied up in iron foundries, and a decision to move from cast iron to light alloy technology would require multi-million pound programmes and a long learning curve likely to be fraught with problems and dangers.

On the other hand the need to stretch energy resources to their utmost and the steadily tightening band of technical restrictions in America, Japan and elsewhere makes aluminium a beneficial alloy to use, despite the high initial demands on electrical energy to produce it. The improved fuel consumption stemming from lighter vehicle weight and improved performance of aluminium cylinder heads—which also help to reduce harmful exhaust emissions—point to a growing use of aluminium and other lightweight alloys.

On the other hand, while the Continent has plumped for aluminium (or, like Volkswagen, magnesium) America has chosen a different path. It is unquestionably a leader in the techniques of high pressure diecasting, which suits its high volume production methods. Its experience with gravity diecasting for the heavier vehicle engines preferred there has been disappointing. It is a technique which even now only two or three foundries in this country have brought to acceptable everyday standards, and in the end the Americans have tended to explore and exploit lightweight iron for cylinder blocks. It does make quite extensive use of aluminium in engine manufacture, of course—the Rover 3500 engine derives from a Buick prototype—but the latest advances are being made in new iron alloys.

Thus the U.K. motor industry is situated between two competing, rather than complementary technologies. If, for

instance, either British Leyland or Ford decided to convert to aluminium cylinder heads it would mean a considerable expansion of foundry capacity.

If both decided to do so it would be much more substantial. British Leyland is (at the time of writing) enduring an agonising review of its future, bound up with which is what to do with its foundries. This subject is debated in greater detail elsewhere in the survey. For the present it is undecided whether to go for lightweight iron or aluminium (if it has the option), although one would expect to see the next generation of Jaguar engines, like the big Rolls-Royce engines, in this alloy, which is also likely to be used in more significant quantities in selected Rover and Triumph engines. At the moment the picture is far from clear, and it is not surprising that managements are hesitating over commitments to modernisation and expansion before their major customers have made their intentions evident.

## Competitive

The one stable element in the situation is that jacking up exports while the competitive climate is favourable may be difficult but could be immediately more worth while and in the longer term more profitable in the face of rising material and production costs. This is true, too, of other sectors of the light alloy foundry industry. For instance, the growth potential for components for business machinery such as copiers, computers, and associated equipment is well founded, in this country and to a growing extent overseas, where developing countries are beginning to make bigger demands on more industrialised nations for office and communications equipment. This applies also, of course, to the new electronic telephone exchanges which are beginning to displace the ageing electro-mechanical systems.

Other outlets are to be found in domestic appliances, like vacuum cleaners and washing machines, both of which incorporate zinc and other light alloy castings, many made by high-pressure markets—as distinct from

the growing replacement markets created by the more elderly kitchen aids—are likely to be found among food mixers and blenders (with man-size handles?). If inflation continues at its existing rate, eating in will become as popular as eating out. At any rate the Japanese, whose market research commands respect, are reported to be forecasting a strong expansion in demand for kitchen utensils of various kinds.

It is hoped that the U.K. will not be among its main markets, as it is for bearings, motor-cycles, radio and TV sets. Aerospace is another, specialised outlet for light alloy components, but no-one is looking for expansion here.

Excessive pressure on the light alloy foundry industry is unlikely to develop from vehicle makers, without a significant shift in demand, as in the case of cylinder heads for instance. On the other hand opportunities for taking up slack and diversification may be found in the home and office and in more technical markets like compressors and office machinery. This may be particularly useful to some zinc die-casters who have been losing out to plastics in vehicle trim and even more, perhaps, by its disappearance. Much of the bright trim round headlights, and for functional purposes, like door handles have been phased out or given way to plastics—though castings are winning back some of the lost ground due to the inferior performance of plastics.

The copper-based alloys, such as gunmetal, are enjoying fairly steady demand from marine interests from shipbuilding to pipelines, while water fittings are regaining some of the market lost to forgings since the extremely limiting specifications for taps were relaxed. Allied to improvements in casting techniques like shell moulding which have helped to make them more accurately, this sector of the non-ferrous casting industry looks more settled. It is also developing direct exports, as well as pitching more vigorously for work for export orientated products like generators and pumps and large-scale water systems.



## FOUNDRIES IV

## Chemicals assist speed

THE PROGRESS made with chemical binders has been one of the most significant features of the foundry industry in the past two decades. In broad terms the change, which has formaldehyde into the air. With still to pervade all sectors, is the replacement of clay bonded sands with sodium silicate or synthetic resin binders. Chemically bonded sands first made their appearance in jobbing foundries, and to-day most jobbing castings are made with cold setting chemicals, which need no drying ovens, release space and generate faster turnover.

A uniquely British contribution to this change was the introduction of continuous mixers and later of the advanced Pasold type developed by Baker Perkins of Peterborough from original work by the British Cast Iron Research Association. The mixers have been instrumental in radically reducing stripping times over the past five to six years, producing a mould that becomes hard in three minutes. Chemicals and mixers are available to get the setting time down to under a minute, though at these high speeds mechanical handling has to take over from manual handling. High speed mixers provide hardening times of around three minutes and are capable of increasing productivity per pattern more than 500 moulds per pattern a shift. Even faster setting times would result in a further major advance, and almost certainly more specialised handling facilities than are currently available.

Semi-mechanised foundries are acquiring the necessary plant and equipment to change from traditional clay bonded sands, but the process has still to infiltrate the high production automotive foundries, though many believe that this will occur in due course. A pointer, for instance, is the fully-automatic, albeit expensive, equipment capable of making high density green sand moulds at a rate in excess of 300 an hour. In the high pressure moulding area synthetic binders have also appreciably improved the accuracy of castings over naturally bonded sands.

Sodium silicates have been proving their advantages in bonding moulds and cores for half a century all over the world. They have the inestimable advantage of avoiding unwelcome side effects on health

level will vary from area to area. And since sand, like any other raw material, is not in limitless supply, such problems are clearly likely to intensify. On the other hand the advantages in better working conditions and easier disposal strongly suggest that the development effort being made to improve the characteristics of silicates will yield comparable results with those being achieved in Italy, though by a different route.

## Binders

Until the full potential of sodium silicate binders is realised it seems inevitable that they will be overshadowed by resin binders, among which the furan or acid-catalysed resins have emerged as the most important self-setting chemical binders for use in ferrous and non-ferrous foundries. However they demand high sand quality, and the economics of the process are often dictated by the distance from a suitable sand quarry. Some foundries in the Middle East, for instance, have to buy their sand in Europe in spite of having a vast desert on their doorstep. Furan binders also suffer the disadvantages of

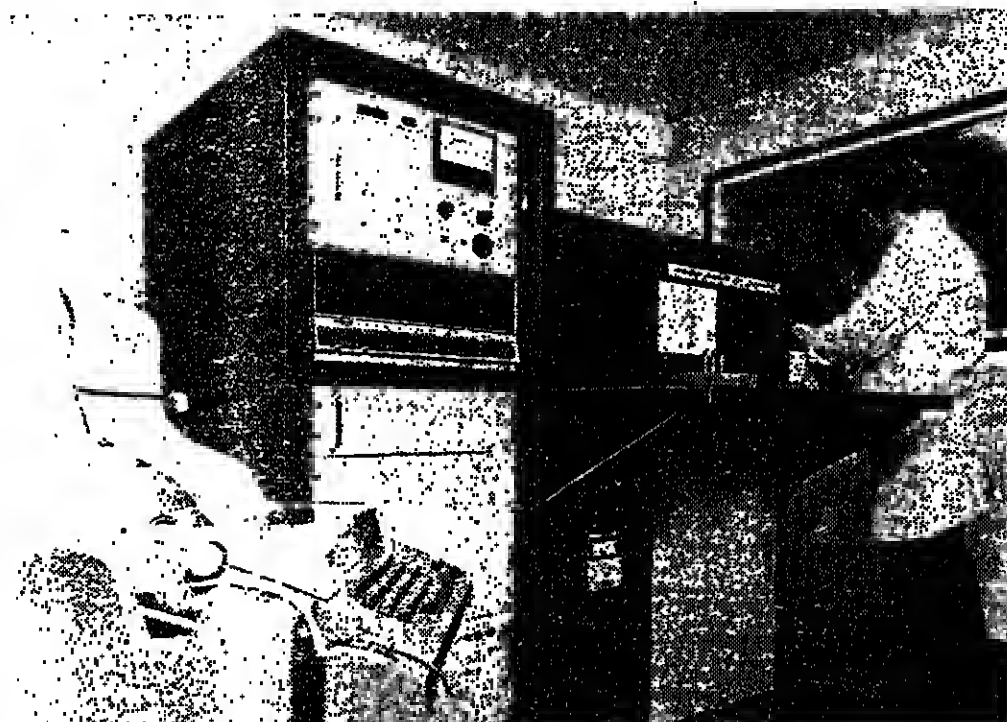
requiring expensive plant and equipment to overcome problems of maintaining acceptable working conditions, and of disposal. But these are heavily outweighed by their economic advantages, perhaps particularly in core making, for which about half the resin binders are used. Chemical binders have already taken over in the majority of jobbing foundries and are increasingly encroaching on the semi-mechanised sector. The variety of equipment and binders is constantly widening and improving, often making choices a matter of "horses for courses." While many believe that chemical binders will ultimately be widely used throughout all sectors of the foundry industry, whether in fact they conquer the automotive end is open to more doubt. Certainly one can expect to see continuing development of existing processes that could well resist encroachment of chemical binders, and at the very least make infiltration a slow and arduous process.

These developments are going hand in hand with the improvement in working conditions, particularly in the fettling areas, where the rough castings are stripped of surplus metal and

## Bulky

For larger castings hoot may be necessary, at least for the time being, but the equipment needed is often bulky and expensive—the capital cost of handling up to 300 tons of castings a week may be £20,000 or even more—and leads to problems of air recirculation and of maintaining working temperatures and humidities. This area is a question of making haste slowly, and so the co-operation between foundry managements and the inspectorates which have the responsibility for implementing health and safety standards seems to be working beneficially.

P.C.



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## Motors cause concern

AFTER A long and close relationship with the automotive industries, their chief customers for castings, during which they have been alternately badgered for supplies and had deliveries held back because of disputes and other causes, the ferrous and non-ferrous foundry industries can scarcely be blamed for having become somewhat cynical about their prospects. Even though in more recent years more rational planning and more competent purchasing policies have prevailed to induce a greater degree of order and stability into the market place, even the finest tuning in matching the production to the needs of the assembly lines has been disrupted without warning by strikes that have played havoc with programmes. Even worse than this, and perhaps predictably, Chrysler and British Leyland had to be bailed out by the Government with further loss of face, and even more vital, loss of confidence. In short, suppliers — of whom there are many and light alloy castings are among the most important — need to be convinced that a programme is what it says it is. Even though the bus and truck and tractor sectors of the automotive industries are more settled than the volatile car sector, there can be unpleasant surprises here as well, as witnessed in the recent Massey-Ferguson strike at the Coventry tractor plant.

Nevertheless, it is going to be difficult to recognise which are British and which are imported cars because a growing range of "British" cars made with some components from the U.K. are being imported from the Continent like Ford's Ghia range, the Fiesta, and Vauxhall's Cavalier. They are scheduled to be joined by British Leyland's Allegro, to be transferred to Belgium. The British component industry as a whole is solely responsible for the industry's satisfactory balance of trade surplus but with a few notable exceptions neither the ferrous nor the light alloy casters have exploited the direct export potential until quite recently. The majority have been content to ally themselves with U.K. motor industry customers and as long as the year end turned out profitably they were tolerably content.

## Frustration

Of course, foundries have strikes and disputes, too, but by and large they seem able to manage matters far more calmly. At any rate the upshot of years of frustration and uncertainty has been for the major units to spread the risks across the automotive industry, to diversify away from them and, significantly, to embark on direct exporting. But however successful they are in selling overseas—and early entrants have chalked up some outstanding results—their bread and butter, if not their jam, comes from the home market. Just at the moment when it is almost anyone's guess what the more immediate future holds for cars, commercial vehicles, buses and tractors, has inevitably been drawn to

the growing trend for car making to cross national boundaries, and this in turn has led to the realisation that castings, by and large, have lacked expertise in marketing. This now is being dealt with, and the ferrous and non-ferrous foundry investment schemes in which the Government is providing financial aid are part of this. Inevitably the export of semi-finished components has many problems, especially for castings, for subsequent machining can reveal defects under the surface. Fully machined castings obviously have a higher conversion value but again are hard to export unless there is the strictest quality control; and frankly many foundries would find it very difficult, if not impossible, consistently to match the high standards demanded on the Continent. But once approval has been won the rewards can be very worthwhile, especially for more intricate castings.

## Predictions

Predictions by Economic Models for the commercial vehicle industry are brighter. Registrations are expected to increase by just over 8 per cent this year and nearly 11 per cent next year, with production rising by more than 2 per cent. In 1978. Again this hardly suggests foundries are going in to put under much extra pressure by the U.K. motor industry. Nor does it seem likely the tractor and agricultural equipment demand will change dramatically for the better.

To get into the export markets while exchange rates are favourable appears in a growing number of foundry managements worthwhile exploring. A market study of export opportunities for ferrous castings made by the sector's economic development committee revealed that some 20 British companies had asked the embassy in Paris for introductions to French motor manufacturers. And while the study disclosed surplus capacity throughout the European automotive foundries, there was also a keen interest in the part of the Swedish, French and to a lesser extent the German motor industry customers for castings to know more about the U.K.

as a price competitive source. Very much the same situation was found in respect of light alloy castings. While openings appeared to exist, for instance, for aluminium castings, Fiat in particular has surplus production capacity and would be an exceptionally keen competitor.

Since the automotive industry in this country consumes about a third of the total tonnage of iron castings made, and about half that of aluminium castings, and the international manufacturing links are steadily being added to, performance trends are part of the vital equipment for aggressive and successful marketing. For many others the chief interest is in aerospace, office machinery and machine tools. There are some small signs of recovery in the demand for machine tools which could become more pronounced as investment programmes take hold, and this perhaps is more than can be said of the aerospace industry unless some really big decisions are made by the Government.

Another depressed segment of the castings market is architectural furniture and other items like taps for homes, offices and factories, though some pick-up is hoped for with the reduction in mortgage rates. These are areas where overseas work is being vigorously pursued by progressive managements, often depending on marketing expertise.

More hopefully the potential for kitchen aids, like blenders and mixers is forecast to accelerate quite strongly. At any rate the Japanese, whose market research is respected, believe that this will be a strong growth sector. For copper-based alloy castings, such as gun metal, specialists report more interest from shipbuilding and pipeline concerns, while more business should be forthcoming as the second generation of oil rigs of British specifications make their appearance. Curiously, some non-ferrous foundries are supplying Norwegian rig builders, having so far been excluded from Britain because of American designs—a good example of persistence in exporting paying off.

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## FARMING AND RAW MATERIALS

## Warning on antibiotics in livestock

NEW APPROACHES to treating poultry, pigs and calves before slaughter to cut the risk of drug-resistant gut bacteria being passed on to man were called for yesterday at the Royal Society of Medicine's annual meeting.

Doctors have become increasingly concerned that bacteria which normally inhabit the human gut, called *E. coli*, are becoming drug-resistant from the use of antibiotics in livestock. These acquire their resistance from the widespread use of antibiotics in animal production.

Alan Linton, senior lecturer in veterinary bacteriology at Bristol University, told delegates that it is probable that substantial numbers of drug-resistant *E. coli* reach man by way of the food chain.

The presence of large numbers of these resistant bacteria, even for short periods, may not cause any effect to the individual. But there are two risks. Occasional *E. coli* can cause urinary tract infections, and debilitated patients can be involved in pneumonia and other infections. In such cases, the choice of antibiotics for therapy is limited because the bacteria has drug resistance.

The more worrying possibility is that, once resistant *E. coli* are in the gut, they might transfer their resistance to typhoid, paratyphoid and food poisoning bacteria.

Linton said it was impossible to stop all contamination of meat and other carcasses during slaughter. There was also a limit to how far the food industry could stop using antibiotics.

Strike delays Indian jute

By Our Own Correspondent CALCUTTA, April 27.

INDIA'S JUTE goods exports have come to a standstill with the strike by 5,000 bargemen on the river Hooghly in its seventh day today.

Three American ships waiting at the port to load jute goods have to return without a cargo if the strike drags on. The employers represented by the Indian Water Transport Association and the Calcutta Port Trust have asked the Government to get the strikers to return to work. The strikers said that the talks were inconclusive but would be resumed on May 2.

Jute goods exports went up recently from 25,000 tonnes to 22,000 tonnes a year ago and were showing signs of picking up further with the steady recovery in the 1976-77 season still remains India's most important customer.

## Another year of adequate wheat supplies forecast

By Peter Bullen

ADEQUATE SUPPLIES of wheat to meet all import demand in 1977-78 were forecast yesterday by the International Wheat Council in its first projections for the new season.

"Since carryover stocks in the five major exporting countries at the start of the year will be at their highest for seven years, the production prospects look favourable at the moment, export availabilities should be more than sufficient to meet currently foreseeable import requirements in the coming season," it said.

Whether there will be a repeat of the build-up of stocks in exporting countries during the new season is open to conjecture. "At present any substantial decline would appear unlikely," the Wheat Council added.

It is also unlikely that last year's huge increase of 18 per cent in world wheat output from 54.4m to 64.7m tonnes will be repeated, but producers are not taking such drastic measures to

cut output as they did in the early 1970s following the last period of heavy stocks.

Plantings in North America have been reduced as a reaction to current low prices and farmers are switching to crops like cotton, maize, barley and soybeans hoping to reap better returns than from wheat. Excess rain has hindered planting in parts of the EEC and drought has hit crops in China, North Africa and parts of Asia. In other countries including the U.S.S.R. weather conditions have generally been favourable for the coming harvest.

"Unless weather conditions deteriorate over the next few months in several important producing countries, world wheat production in 1977, while probably less than last year's record of nearly 417m tonnes, may still be more than in any previous year," said the IWC.

Our Ottawa correspondent

writes: The four major wheat exporting countries are making slow but steady progress in building a new international wheat arrangement. Meetings of senior officials from the countries—the U.S., Australia, Argentina and Canada—ended with the official statement that "there appeared to be a common desire among both importers and exporters to achieve a greater stability of supply and prices in the market and to examine means for achieving greater world food security."

Mr. Tom Burns, Assistant Deputy Canadian Trade Minister who chaired the meeting, said there had been a fairly positive reaction among exporters on steps necessary to produce a world wheat agreement.

He said "There was a general consensus on the part of systems we would need to make an international agreement work."

The talks ranged over issues such as dumping world prices, international grain stocks and the need for a better market information system.

The countries have scheduled another meeting tentatively before the spring session of the IWC in London.

Canada and the U.S. which together export about 75 per cent of the world's wheat supplies, have already reached agreement in principle on the export of wheat to the United Kingdom.

The goal of the talks launched by Canada and the U.S. is to establish minimum prices for wheat that would come into effect during periods of surplus. World prices plummeted to less than \$3 a bushel last December from more than \$5 three years ago. However, most observers expect that wheat prices will be toned out and prices are expected to hover around the current rate of \$3.50 a bushel.

Importing countries would benefit from a minimum price agreement because they will not have to depend on extreme fluctuations in price.

THE EEC COMMISSION authorised last sales of 45,615 tonnes of wheat sugar at the weekly auction market and intervention stock tenders against a total of 47,000 tonnes last week, Commission sources said.

The sources said the weekly open market tender produced 30,300 tonnes of wheat sugar at 45.615 tonnes (45,615) at a high of 45.615 (45.615) per 100 kilos.

The Soviet Union will produce 30.3m tonnes of granulated sugar from beet in 1977, and will export a further 2.5m tonnes of imported raw sugar, according to Mr. Nikolai Osipov, Soviet deputy Foreign Trade Minister.

Mr. Osipov told the UN conference negotiators a new inter-continental sugar agreement in Geneva that the USSR claimed a share of export trade with the right to export sugar.

## Upsurge in cocoa market

By Richard Mooney

A SHARP rise on the London cocoa terminal market yesterday led many dealers to conclude that the recent bear trend has now been reversed.

After several weeks of relatively quiet trading, prices soared yesterday afternoon and the July position closed 31.25 higher at 22,299.75 a tonne.

Fundamentalists have been saying for some time that cocoa was undervalued, but they have been repeatedly rebuffed by the technical analysts whose charts pointed downwards. The chartists now appear to have come into agreement with the fundamentalists, who based their more bullish assessments on uncertain Brazilian weather, shipping problems in West Africa, and the neutral implications of major quarterly grinding figures.

By contrast, coffee futures plunged to the lowest levels for seven weeks. After opening lower London values were boosted by confirmation that Brazil had sold 13,000 bags (60 kilos each) to Algeria, a new record for the country.

These factors lifted nearby prices above 2120 a tonne at one stage but the strength of the bearish mood quickly overwhelmed the rise.

EEC authorises sugar exports

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There is an acute shortage of

## EAST AFRICAN COFFEE

## Death no deterrent for the smugglers

By John Worrall in Nairobi

PHENOMENAL PRICES have produced a slightly crazed coffee scene in East Africa. Kenya farmers have never made so much money but not many, it is feared, are putting it away for bad times.

The Ugandans, frustrated by their inability to sell their coffee at home at decent prices, are smuggling it ever more frequently across the border into Kenya.

Smuggling coffee from Uganda is an offence punishable by death.

Kenya is making a killing out of her own excellent coffee and of Uganda's as well. It is estimated that hundreds of tons of Ugandan coffee is being smuggled into Kenya each month in a free-for-all racket.

Kenya had a record year in 1976, with more than 100m. shillings for her coffee exports. That was more than double the sum earned in 1975.

National production last year was 73,810 tonnes, 12 per cent up on 1975 production. According to the official Coffee Board Journal "Farmers Voice", sales of coffee will earn Kenya a unprecedented 150m. in foreign exchange this year.

For the first time in Kenya's long coffee history about 75 per cent of earnings went to African growers. That was 38 per cent of the 1976 total. The rapidly growing band of small coffee growers operating through 153 co-operatives.

But with Amin's new death penalties, smuggling is a dangerous business. Many have died, caught red-handed by Amin's army and police. Uganda recently announced that 24 coffee smugglers had been shot.

The main smuggling route is across Lake Victoria to the little fishing ports on the Kenya side. It comes in bags loaded in fish canoes powered by outboard motors. One by-product of trade is a sudden death of outboard motors in Kenya and mass thefts on the lakes and in the area. They are bought by Ugandans and taken home for sale at big profits.

Some of the coffee is also being carried on the bush trails from Uganda to the Kenya border round Busia, where the market is flourishing.

There are reports of Amin's helicopters chasing the little coffee canoes across the lake. Many have been bombed or shot at, with considerable loss of life. There is an acute shortage of

rail wagons to move the coffee to Mombasa because of the economic slowdown and acute petrol scarcity has reduced the amount of road transport available. The result is that huge stockpiles of coffee are mounting up in warehouses and sheds all over Uganda. Reports here indicate that some 2m bags (60 kilos each) are waiting to be exported. It would be more if road transport were available to farmers.

Small wonder that Amin's regime is in severe economic difficulties with this vital agricultural component denied the chance of reaping the benefit of high world prices.

Yet the lure of the high prices is so strong that new loopholes are being found daily. Strict screening by the Coffee Board makes adulteration difficult, or even impossible. But it cannot prevent Ugandan coffee being passed through Kenya to Mombasa under false labels.

Land-locked Uganda has other coffee problems. Legal consignments of coffee have to go by rail or road through Kenya. Mombasa port. Recently there have been armed raids on coffee lorries and now they are being formed into convoys escorted by the Kenya police. Lorries have been blacked. And in Kenya there have been break-ins at warehouses and factories.

A bizarre footnote to this saga is Uganda's recent repudiation that it "can coffee is being smuggled in Kenya in sealed coffins. But then coffins are in plentiful supply in Uganda these days.

PEANUT SUPPORT RATE FROZEN

WASHINGTON, April 27.

The Senate Agriculture Committee voted today to freeze the Government support price for peanuts at \$420 a ton for the next five years. That is \$20 a ton less than it is now, but the Agriculture Department had proposed that a \$420 rate for 1978 be followed by annual declines of 1 per cent in 1981.

AP-DJ

## Copper values turn upwards again

By Our Commodities Staff

COPPER SHRUGGED off the depression of the past few days and prices moved steadily upwards yesterday.

It was, in the words of one observer, an abnormal market, for the major factors that should have dominated trading were both bearish.

There was the overnight news that U.S. producer Phelps Dodge was cutting its base price, by three cents a pound to 71 cents which was followed by a similar announcement by Asarco.

The reports of industrial trouble at the giant Chrysler car works and the price of steel contract offer had a marked effect on the London lead and zinc markets. Cash lead jumped \$16.75 to close at \$390.5 a tonne and cash zinc closed \$12.75 higher at \$598.5. With Cominco's contracts for its Trail and other B.C. smelters due to end on Saturday, the possibility of strike action if no deal is reached by then, interrupting production, obviously gave a fillip to buying.

Tin was the only metal to continue its recovery. A rise in the Malaysian price brought some early firming in values but a quiet London market saw prices drift down, with standard cash metal finishing \$7.5 lower in balance at \$2,617.5 a tonne.

Meanwhile, Reuters reports from Paris that the Inter-Governmental Council of Exporting Countries (CIEPEC) will hold an extraordinary conference of Ministers on June 20 and 21, according to sources close to the council. It will discuss changes in the basic copper price formula aimed at boosting prices.

The CIEPEC Ministerial conference in Santiago last December discussed the problem of a new price mechanism and since then copper prices, which rose steadily in the first quarter of this year in line with other metals, have dropped back almost to the 1976 level. But CIEPEC will take no action before then.

The Ministerial conference will also discuss long-term consumption and a possible change in the administrative structure of CIEPEC, now 10 years old.

CIEPEC considers the present sluggish copper price trend still a threat to the industry's investment confidence.

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## COMMODITY MARKET REPORTS AND PRICES

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# FINANCIAL TIMES

Thursday April 28 1977

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## Weary Bravo men pull out hoping to cap well to-day

BY KEVIN DONE, CHEMICALS CORRESPONDENT

STAVANGER, April 27.

THE TEAM of blow-out experts and engineers fighting to cap the blown-out Bravo well in the Ekofisk field of the North Sea were pulled off the platform early this afternoon suffering from exhaustion.

In favourable conditions, they had completed about another seven hours of crucial repair work on the blown-out well head. If the weather holds, an attempt is expected to be made to-morrow finally to cap the well.

Details of progress from Phillips Petroleum remain sketchy, but one company official said to-day that several vital pieces of equipment had been installed on the well-riser.

Preparations are nearly complete and to-morrow little more remains than for the new equipment to be tested, and put into operation.

Connections have been made for mud to be pumped down the well when it is closed by hydraulic rams. The blow-out preventer, rams and spool-piece are reported to be on the well-head.

Phillips said this afternoon that "work has been suspended, due primarily to consideration for the crew's high work load and safety. All work in the operation requires fresh, well-rested people."

Meanwhile, the persistent failure of the mechanical equipment—skimmers and pumps—put into service by Phillips to scoop the oil off the top of the sea

has led to suggestions here that the Norwegian Government may soon decide to use chemicals to disperse the oil.

Mr. Hans Kristian Bugge, of Norway's environmental protection agency, flew to Oslo to-night for talks with senior Ministers on this topic.

Such a decision will be unpopular and could cause serious damage to marine life and the area to-day.

### Fresh winds

Fresh or strong winds with showers and mostly good visibility are forecast for the Ekofisk area to-day.

Norwegian fishing industry. It could fly in the face of the Government's whole oil emergency protection policy, but Oslo has little alternative if the skimmers continue to fail.

Little activity could be seen this afternoon around the alick and Phillips said that the equipment was proving less than 25 per cent effective. Eyewitness accounts suggest that the failure is even greater, as seas prove too heavy for it to be used safely and effectively.

On the fifth day since the blow-out, it is still pouring from the well-head in a reddish brown fountain about 150 feet high. At least 12 vessels were to-day in the area about two miles from

Bravo. But only one boom and skimmer were seen operating.

The slick now covers at least 360 square miles, and stretches more than 35 miles from the Bravo platform.

Ray Dafer, Energy Correspondent, writes: The oil industry believes that the price of the Ekofisk blow-out will be reckoned in tens of millions of pounds. Although Phillips has released no figures, it was estimated in the industry yesterday that the cost of the capping, fire prevention and anti-pollution operations, together with lost oil and gas revenue, is mounting up at a rate of more than £2m a day.

These costs do not take into account compensation for pollution that the Ekofisk partners may have to pay. And they do not touch the cost of additional safety measures that the industry as a whole will be asked to implement.

Mr. Anthony Wedgwood Benn, Energy Secretary, announced last night the information of a study group to evaluate the adequacy of the U.K. response to the blow-out, and to identify the implications for the U.K. national interest offshore, including fisheries.

The group will comprise officials from the Department of Trade, Environment, Defence and Energy, the Ministry of Agriculture, Fisheries and Food, the Scottish Office, and the Health and Safety Executive.

Mr. Benn has already started discussions with the U.K. Offshore Operators Association to review the implications of the Ekofisk incident.

A committee of inquiry has also been set up. Among its tasks will be to find out why the chemicals mud back the oil flow during maintenance work and why an emergency safety valve failed to work.


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Formed study group

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## Morpeth: new look may be necessary

By Michael Lafferty, City Staff

A COMPLETELY new look at inflation accounting seems inevitable after the admission yesterday by Mr. Leslie Peacock, newly elected president of the Association of Certified Accountants, Britain's second largest accountancy body, that the present Morpeth proposals do not seem to have enough support.

This would mean that there is no chance of large companies implementing current cost accounting by July 1978 as planned.

Mr. Peacock said it was clear that there were sufficient areas of disagreement about the Morpeth exposure draft 18 proposals to make another exposure draft necessary. This probably would need a shorter discussion period than the six months to the end of May allowed for discussion of exposure draft 18.

Another possible alternative, suggested in some quarters, was to discuss the effect of the Morpeth group to issue a basic current cost accounting standard on schedule, together with a discussion paper on the more contentious areas.

The Association of Certified Accountants is supporting the basic principles of current cost accounting because it believes it to be "a more accurate and realistic method of presenting financial information to all concerned—employees, management and shareholders."

But it has significant reservations about many of the most vital features of the Morpeth document. These include:

- Current cost accounting should be introduced for all companies at the same time, rather than by size of company, as presently proposed.

- Full application of exposure draft 18 would create problems for small businesses, so consideration should be given to developing a modified system.

- Further research should be undertaken on the effect of current cost accounting on the allocation of resources for new capital investment, dividend policy and the distribution of the tax burden.

- The "substance of the business," a concept on which the Morpeth group is based, still needs to be defined; and

- It would be premature to require companies to publish a supplementary statement comparing their performance with the change in the retail price index.

At present, the lower level of London interest rates does not appear to be damaging sterling. Yesterday the pound was strong, largely because of the dollar's weakness on news of the U.S. trade deficit.

The Bank took in foreign currency for the reserves and sold pounds to hold sterling at \$1.72, a gain of 74 points on the day.

## Tarmac takes the overseas road

Index rose 6.4 to 427.4

For the tenth year running Tarmac has turned in higher profits but last year it was saying that the real test was to beat inflation. So a rise of 11 per cent in pre-tax profits to £22.5m. seems short of its target, given a 1976 U.K. inflation rate of 15 per cent.

However, profits have been struck after a £2.8m. provision against losses on a Belgian office block and Tarmac's mainstream U.K. businesses have performed well. At home, the important quarry products side increased its profits by nearly 10 per cent, despite a sharp fall in volume, but a £1.8m. turnaround into losses in Germany depressed the divisional total. With the exception of France, Tarmac's other continental activities were in the red, so it has been up to the U.K. and the two-year-old international division to make the running.

With construction profits up by a half, and building products and housing both showing gains of a quarter, Tarmac is clearly weathering the recession better than most. With the industry forecasting a drop in private housing starts of up to a fifth this year, 25 per cent higher at just over £1m. taken to inner reserves, to increase its unit sales.

But until the European construction cycle turns up in, say, late 1978, Tarmac is relying on its heavy push abroad to generate the real profit growth.

Partly to finance this move, group borrowings have risen quite sharply and the ratio of net borrowings to equity funds has risen from 34 to 60 per cent for the year to January, against £15.46m. Milling, which contributed 77p. where the yield is 8.8 per cent is twice covered.

Spillers

Rising interest charges have spoiled an improved second half trading picture for Spillers and ahead, the effects on its profits at the pre-tax level are only marginally higher at £16m. Kind of rationalisation deal, negotiated with Babcock, in the current year, and at 154p. but around half of total per cent and the p/e 5.2: profits before interest, held shares are not really gain roughly level, and the banking on the outcome. Net liquid assets, losses were contained at around £2m. Groceries, meat and pet seas turnover (clumping in Belfast)

Discount houses

A further half-point cut in Minimum Lending Rate to 9 per cent is now on the cards; and the authorities appear to be giving modest encouragement to the further decline in money for the final months.

Spillers has continued to rationalise its baking side as a result it hopes to get close to breakeven on trading in 1977-78. Raw materials are going up sharply, the group is not too worried about its milling operation with a helping hand from earnings per share of 4.4p. against 4.4p. last year. Possibility this year would ease back the p/e to around 6.4.

But for the moment the net is more preoccupied with its exposure to the uncertainties of the U.K. power at just £5m. higher at the end—despite the way working capital totalled £2.2m. against net cash flow of £2.2m. in the day. Mr. A. Clarke Chapman

In reporting pre-tax profits per cent higher year on year at £28.12m. for 1976 Clarke Chapman took care to emphasise its exposure to the uncertainties of the U.K. power at just £5m. higher at the end—despite the way working capital totalled £2.2m. against net cash flow of £2.2m. in the day. Mr. A. Clarke Chapman

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Spillers has continued to rationalise its baking side as a result it hopes to get close to breakeven on trading in 1977-78. Raw materials are going up sharply, the group is not too worried about its milling operation with a helping hand from earnings per share of 4.4p. against 4.4p. last year. Possibility this year would ease back the p/e to around 6.4.

But for the moment the net is more preoccupied with its exposure to the uncertainties of the U.K. power at just £5m. higher at the end—despite the way working capital totalled £2.2m. against net cash flow of £2.2m. in the day. Mr. A. Clarke Chapman

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## Sotheby's plans to go public

By Margaret Reid

SOTHEBY'S Parke Bernet Group, the art auctioneering company, is planning to go public in the next few months through an offer of shares for sale. The flotation could well place a value of more than £15m. on the business.

Sotheby's, which had sales of £98m. and pre-tax profit of £3.3m. in the year to August 31, 1976, has subsidiaries in New York and Amsterdam and other international operations. It is to handle the Montmore sale, when one of the largest collections to be disposed of will be sold.

Mr. Peter Spira, finance director, said last night that profits in the current year were expected to be higher than in 1975-76.

Just more than 20 per cent of Sotheby's shares are held by Rothschild Investment Trust. Mr. Peter Wilson, chairman, owns 13 per cent, and Mr. Peregrine Pollen, executive vice-chairman, about 10 per cent. The rest is owned by about 220 members of the staff.

It is expected that about 20 to 25 per cent of existing shares will be offered for sale, with all the large holders disposing of some of their interest.

This is a notable proportion, but the 35 per cent, which is normally made available through an offer for sale, but it is hoped that the Stock Exchange will allow the lower proportion, in view of the existing widely spread ownership of the shares.

It appears likely that new shares to raise rather more than £1m. will be offered as well.

New flotations over the last two years have been comparatively rare and those companies which have made a notable successful debut have been fewer still. But Mr. Spira said they were confident that the unexpected, the issue would be successful in view of Sotheby's name.

The company was going public to facilitate the sale of shares when desired for personal and family reasons and for commercial purposes in view of international interest in the company's business.

Ordinary shares of Christie International, the other leading London art auctioneer—whose profits last year were £3.7m.—are already quoted.

## Lending rate cut of ½% likely unless Bank acts

BY MICHAEL BLANDEN

A CUT in the Bank of England's minimum lending rate of 1 per cent to-morrow now looks possible after a further decline in the general level of short-term rates in the money market.

The Bank did nothing yesterday to resist the downward trend and the market regarded the absence of signals from the authorities as a positive encouragement to push rates further down.

Treasury bills were trading at levels which, if maintained at the weekly tender would trigger a cut in M.L.R. from 8½ to 8 per cent. It was felt that if the Bank does not intervene to-day rates could come down further.

The Bank, however, still has the power to override the normal market formula and prevent too sharp a fall in M.L.R. to-morrow.

A drop in M.L.R. could renew pressure on the big banks to cut their lending rates. Early this week they reduced their base lending rates by 1 per cent to 9 per cent.

Even then there appeared to be scope for a bigger cut in the cost of overdrafts. Although the banks finally settled for a cautious approach, the continuing fall in the market could prompt second thoughts at a time when loan demand remains very depressed.

Pay policy doubts

The Bank of England still has concerns about short-term interest rates should not fall too rapidly at a time of continuing uncertainty over the future of the pay policy.

The cuts, which have already brought M.L.R. down by 61 points from its peak of 15 per cent, appear at present to be welcome politically, however. With prospective reductions in building society mortgage rates, they represent a significant contribution to bringing down the cost of living.

At present, the lower level of London interest rates does not appear to be damaging sterling. Yesterday the pound was strong, largely because of the dollar's weakness on news of the U.S. trade deficit.

The Bank took in foreign currency for the reserves and sold pounds to hold sterling at \$1.72, a gain of 74 points on the day.

Devaluation of sterling is not sufficient by itself to give British industry the export impulse which the Government has hoped for, the National Economic Development Office says in a controversial study published to-day.

The study, on "international price competitiveness, non-price factors and export performance," implicitly rejects the Government's claims last year that the fall in the value of sterling would lead to substantial export-led growth by making British products more competitive abroad.

It also implicitly rejects the recent arguments of the Cambridge group of economists that only a large further devaluation and/or import restrictions will give manufacturing output a chance of sustained revival.

Instead, the study argues that non-price factors such as design and marketing are probably more important than price as a factor in export performance.

In particular, "there are some signs that the U.K. by comparison with France and West Germany, tends to export relatively low-valued products and to import relatively high-valued products within many